



# Congressional Record

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PROCEEDINGS AND DEBATES OF THE 102<sup>d</sup> CONGRESS, FIRST SESSION

## HOUSE OF REPRESENTATIVES—Thursday, November 14, 1991

The House met at 10 a.m.  
The Chaplain, Rev. James David Ford, D.D., offered the following prayer:

Teach us, O God, to hear the sounds and see the sights of Your creation that are heard and shared by every person. Enlighten us so we are aware of the human experience—the sounds of laughter and the sight of tears, the sounds of anguish, and the joy of love and embrace, the words of loneliness and the beauty of people celebrating together in the bonds of peace. Remind us always, O God, to hear and see all the human emotions for we know and believe that Your spirit is with us in all the moments of life, in good times and bad, and Your benediction never departs from us. In Your name, we pray. Amen.

### THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

### PLEDGE OF ALLEGIANCE

The SPEAKER. The gentleman from Indiana [Mr. BURTON] will please come forward and lead the House in the Pledge of Allegiance.

Mr. BURTON of Indiana led the Pledge of Allegiance as follows:

I pledge allegiance to the Flag of the United States of America, and to the Republic for which it stands, one nation, under God, indivisible, with liberty and justice for all.

### ANNOUNCEMENT BY THE SPEAKER

The SPEAKER. The Chair desires to make an announcement.

After consultation with the majority and minority leaders, and with their consent and approval, the Chair announces that during the joint meeting to hear an address by His Excellency Carlos Saul Menem, only the doors im-

mediately opposite the Speaker and those on his right and left will be open.

### REMOVAL OF NAME OF MEMBER AS COSPONSOR OF H.R. 3595

Mr. RHODES. Mr. Speaker, I ask unanimous consent that my name be removed as a cosponsor of the bill, H.R. 3595.

The SPEAKER. Is there objection to the request of the gentleman from Arizona?

There was no objection.

### RECESS

The SPEAKER. Pursuant to the order of the House of Tuesday, November 12, 1991, the House will stand in recess subject to the call of the Chair.

Accordingly (at 10 o'clock and 5 minutes a.m.), the House stood in recess subject to the call of the Chair.

During the recess, beginning at about 11:30 a.m., the following proceedings were had.

### JOINT MEETING OF THE HOUSE AND SENATE TO HEAR AN ADDRESS BY HIS EXCELLENCY CARLOS SAUL MENEM, PRESIDENT OF THE REPUBLIC OF ARGENTINA

The Speaker of the House presided.

The Doorkeeper, the Honorable James T. Molloy, announced the President pro tempore and Members of the U.S. Senate, who entered the Hall of the House of Representatives, the President pro tempore of the Senate taking the chair at the right of the Speaker, and the Members of the Senate the seats reserved for them.

The SPEAKER. The Chair appoints as members of the committee on the part of the House to escort His Excellency Carlos Saul Menem into the Chamber:

The gentleman from Missouri [Mr. GEPHARDT];

The gentleman from Michigan [Mr. BONIOR];

The gentleman from Maryland [Mr. HOYER];

The gentleman from Florida [Mr. FASCELL];

The gentleman from Illinois [Mr. MICHEL];

The gentleman from Georgia [Mr. GINGRICH];

The gentleman from California [Mr. LEWIS]; and

The gentleman from Michigan [Mr. BROOMFIELD].

The PRESIDENT pro tempore (Mr. BYRD). The President pro tempore of the Senate, at the direction of that body, appoints, the following Senators as a committee on the part of the Senate to escort his Excellency Carlos Saul Menem, President of the Republic of Argentina, into the House Chamber:

The Senator from Maine [Mr. MITCHELL];

The Senator from Rhode Island [Mr. PELL];

The Senator from Texas [Mr. BENTSEN];

The Senator from Connecticut [Mr. DODD];

The Senator from Massachusetts [Mr. KERRY];

The Senator from Florida [Mr. GRAHAM];

The Senator from Kansas [Mr. DOLE];

The Senator from Wyoming [Mr. SIMPSON];

The Senator from Indiana [Mr. LUGAR];

The Senator from South Dakota [Mr. PRESSLER];

The Senator from Utah [Mr. HATCH]; and

The Senator from Minnesota [Mr. DURENBERGER].

The Doorkeeper announced the Ambassadors, Ministers, and Chargés d'Affaires of foreign governments.

The Ambassadors, Ministers, and Chargés d'Affaires of foreign governments entered the Hall of the House of Representatives and took the seats reserved for them.

At 11 o'clock and 35 minutes a.m., the Doorkeeper announced the President of the Republic of Argentina.

The President of the Republic of Argentina, escorted by the committee of Senators and Representatives, entered the Hall of the House of Representatives, and stood at the Clerk's desk.

□ This symbol represents the time of day during the House proceedings, e.g., □ 1407 is 2:07 p.m.

Matter set in this typeface indicates words inserted or appended, rather than spoken, by a Member of the House on the floor.

[Applause, the Members rising.]

The SPEAKER. Members of the Congress, it is my great privilege and I deem it a high honor and personal pleasure to present to you His Excellency, Carlos Saul Menem, President of the Republic of Argentina.

ADDRESS BY HIS EXCELLENCY,  
CARLOS SAUL MENEM, PRESIDENT OF THE REPUBLIC OF ARGENTINA

(The following is an English translation of the address delivered in Spanish by President Carlos Saul Menem before the joint meeting.)

President CARLOS SAUL MENEM. Mr. Speaker, Members of the Congress, ladies and gentleman, sisters and brothers of America: It is a great deference for my country and, at the same time, a great personal honor for me to be received at this joint session of both Chambers of the Congress of the United States.

Without exaggeration, I can say that I come here at the best moment of our bilateral relations, sharing the same values of Western civilization.

These are the very same values that are the basis of your Constitution. Our charter, today in full application, followed that model and that orientation. Those same values of freedom, coexistence, human rights, democracy and political, economic, and social stability. The Argentine people have committed their best efforts to that end.

My government has started a series of deep transformations: facts, not words, concrete not abstract, reforming the state, creating incentives for private capital, generating equal treatment for domestic and foreign investment, consolidating the defeat of inflation, opening our economy to international competition, breaking our isolation from the rest of the world, overcoming a great period of stagnation to face reactivation and the growth of our productive structures.

These are our objectives, supported by real, tangible achievements. We have reduced the number of public employees, we have rationalized their tasks, we have given greater hierarchy to the permanent staff.

Our convertibility plan, insures the full backing, with foreign exchange, of all our monetary base. We have stability and reactivation, we have fiscal balance, we have a healthy currency.

We have implemented a privatization plan of previously unheard of intensity. In some significant areas, this has already been completed, such as telecommunication, air transportation, and most of the oil sector.

This plan will include all public companies, electricity, gas water services, railroads, energy, and so forth. All this has meant a deadweight for the Argentine people for all these years. We have established a detailed agenda and all

these privatizations will be finished by the end of 1992, as was decided by a decree, I have signed not more than 48 hours ago.

All this is combined with a complete deregulation of the economic policies. This means dismantling 60 years of controls, market reservations, quotas, pseudo tariff practices, professional monopolies, and all kinds of obstacles.

These measures, implemented with a drastic opening up of the economy, imply a reduction of import taxes to an average 14 percent, keeping thus, our doors open to international trade and foreign investments.

All these great decisions have received the support of the Argentine people, as has been clearly shown during the last elections, held on September 8 and October 27.

Legislators and friends: So that our program may be able to bear fruit, it is of the utmost importance that it should be welcome abroad receiving concrete answers.

This honorable Congress can, through its action, contribute greatly toward this end, and on this issue I should add that any legislation that restricts the access of certain Argentine products to the North American market does not help us in our development, nor does it help to strengthen the necessary links between our economies. It means also a barrier to our opening.

That is why, I would like to take advantage of this opportunity, a historical one for my country and a memorable one for me, to preach for a free trade between Argentine and the United States, that will benefit both peoples.

This free trade should be something concerning the whole world and that is why we are struggling and insisting on the need for strengthening our position during the Uruguay round of negotiations of GATT.

When the countries in America are struggling to achieve a free trade in the area, it is not only the United States but all the countries of the world that should struggle to obtain the elimination forever of subsidies, especially in the case of agricultural production.

Another aspect, as important as the first, where this Honorable Congress can contribute, is giving support to Argentine's negotiations with the International Monetary Fund and multilateral banks.

We hope, during 1992, to solve the problem of our foreign debt within the framework of a program such as the Brady plan.

At the same time, we would like to stress our commitment of getting together in the continued and lengthy task that will lead us to our target, that is ambitious but possible, and this is the continental integration all the way from Alaska to Tierra del Fuego.

I am convinced that the Enterprise for the Americas Initiative, Mercosur, the "Four plus One" framework agreement and the free-trade agreements existing between Canada and the United States, to include Mexico in the near future, are palpable proof that an integrating conscience is gaining strength in the countries of this continent, so that they will be able to expect—on an equal footing and with identical opportunities—to gain access to full development and well-being for their people.

Legislators: The quest and the achievement of the aims we pursue in the domestic field, wishes also to show to the international community our firm determination of being fully reinserted in the world.

A fundamental part of this reinsertion has been the reestablishment of relations with Great Britain and South Africa.

In spite of the differences that still exist as to the Malvinas Islands and that we hope to be able to solve through diplomatic channels.

With our neighboring countries in South America, we have established the Southern Cone common market—Mercosur—of fundamental economic and political projections.

Our policies on security, based on regional disarmament with the elimination of mass destruction weapons, has taken us, with Brazil, to an agreement on nuclear safeguards. This is satisfactory for both countries and for the International Atomic Energy Agency, and will allow us, in due course, to sign the Tlatelco Treaty.

This policy has led us to sign also an agreement with Brazil and Chile banning chemical and biological weapons. Uruguay, Bolivia, and Paraguay have also been included in this agreement.

As to missiles, not only are we against the development of this technology with the object of warfare, but we also have subscribed the missile technology control regime [MTCR], and we have created the National Commission for Space Activities [CONAE], with solely peaceful objectives, hoping to agree on cooperation programs with NASA as well as other important similar agencies in the world.

Thus, we have set the scene for a total détente in the region and we have built confidence at the international level. Our American vocation expects cooperation and coordination between Latin American countries and all countries in America, and very specially based on our unrestricted support for the Rio group, a true regional reference.

Honorable Congress: This reinsertion seeks to consolidate common values. That is why we did not hesitate to join the coalition of countries participating in the Gulf crisis, complying with U.N. resolutions.

Along the same lines, we can mention our recognition of the Baltic Re-

publics, one of the first countries to do so at the international level, and our immediate and firm rejection of the failed coup in the Soviet Union last August.

This, our American vocation, a vocation for democracy, is something that should include all and each of the countries of our continent.

Our continent has to consolidate and strengthen democracy and reaffirm a rule of freedom where, unfortunately, it does not exist today.

This is a challenge that allows for no exception, I insist, absolutely no exception in the whole of this continent.

Legislators, ladies and gentlemen: There is no better forum than this honorable Chamber, where the representatives of the North American people debate, to transmit the message of friendship sent by all the Argentine people, by a serious Argentina, stable, predictable, ready to be a part of the world with responsibility and maturity, an Argentina that feels a deep admiration for the indefatigable efforts deployed by the United States of America in the search for peace in the Middle East.

The conference that has met these last days in Madrid is the most recent proof of this difficult path that the United States of America is following to bring together those parties in conflict. The changes that have taken place lately in the international sphere allows us to have a greater hope than the one we had in the past, such as the achievement of a just and lasting peace for that region.

This important role that is being played by the United States of America in the Middle East has been reaffirmed undoubtedly by the role they had during the Persian Gulf crisis where the political risk as well as the military risk was based essentially on the shoulders of the leaders and the soldiers of this country.

All this process of transformation that we considered necessary took in stride enormous sacrifices that had to be done by the Argentine people and these were done without the people losing 1 inch of their freedom, an essential value for Argentina and America. This freedom is and still will be the norm that guides us in our course within our homes and also around the world.

Receive then, this greeting.

You should know it is sent by a people that is making heroic sacrifices to contribute to a better future.

In this future, and from this present mature and fruitful dialog, the United States of America and Argentina will walk together for the benefit of a new order, with more justice, more freedom, and that will be of great advantage for the whole world.

I ask God to bless you and the American people, your officials, and leaders. Thank you very much.

[Applause, the Members rising.]

At 12 o'clock and 9 minutes p.m., the President of the Republic of Argentina, accompanied by the Committee of Escort, retired from the Hall of the House of Representatives.

The Doorkeeper escorted the invited guests from the Chamber and the Ambassadors, Ministers, and Chargés d'Affaires of foreign governments.

#### JOINT MEETING DISSOLVED

The SPEAKER. The purpose of the joint meeting having been completed, the Chair declares the joint meeting of the two Houses dissolved.

Accordingly, at 12 o'clock and 13 minutes p.m., the joint meeting of the two Houses was dissolved.

The Members of the Senate retired to their Chamber.

#### ANNOUNCEMENT BY THE SPEAKER

The SPEAKER. The House will continue in recess until 12:30 p.m.

□ 1230

#### AFTER RECESS

The recess having expired, the House was called to order by the Speaker pro tempore (Mr. MCNULTY) at 12 o'clock and 33 minutes p.m.

#### PRINTING OF PROCEEDINGS HAD DURING RECESS

Mr. GEJDENSON. Mr. Speaker, I ask unanimous consent that the proceedings had during the recess be printed in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Connecticut?

There was no objection.

#### ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. The Chair will entertain 10 1-minute speeches on each side.

#### PRESIDENT SHOULD FOLLOW UNEMPLOYMENT BENEFITS WITH MORE DOMESTIC AGENDA ITEMS

(Mr. GEJDENSON asked and was given permission to address the House for 1 minute, and to revise and extend his remarks.)

Mr. GEJDENSON. Mr. Speaker, it appears that we have the President on board finally on the train to try to help people who have used up their unemployment benefits, but we cannot wait 4, 5, or 6 months to get the President along on each issue that we need to try to rebuild this economy.

Mr. Speaker, we are glad the President is back in the United States, but now we need to see some domestic leadership. We want to see the President's proposal on health care so that all

Americans have decent health care and are not bankrupted by the cost of it. We need to see the President's request for reinvigorating the economy without giving one more tax cut to millionaires and billionaires across America.

Let us not just talk about helping middle-class Americans. Let us see whether the President will come forward with a real middle-class tax cut to help working families take care of their children. That will spur on the economy.

Mr. Speaker, we need to engage this administration on a domestic agenda because not just eastern Connecticut but all across this continent, from Connecticut to California, this country is facing disaster.

#### ADMINISTRATION PROPOSALS INCLUDE MORE JOBS, CAMPAIGN REFORM

(Mr. HUNTER asked and was given permission to address the House for 1 minute, and to revise and extend his remarks.)

Mr. HUNTER. Mr. Speaker, let me just answer the gentleman who just criticized the President. The President has a growth package that is not only going to send checks to the people who are unemployed but it is going to give them what they really want, and that is a job. It is going to give them a million jobs in construction, manufacturing, and the service industries. We are going to do that with a growth platform that includes relief for middle-class families, and that includes a capital gains tax cut that will get people out there hiring people. We must remember that blue collar workers cannot hire themselves. They need to have a factory, or a businessman, or a corporation that hires them.

The President of the United States is going to do that, and while he does that, we are going to give them a reform package that is going to strike at the hearts of the Democrats in Congress. It is going to force the Democrats in Congress to get at least 50 percent of their money from their own constituents. At this point they get about 10 percent of their reelection money in their own districts; they go to special interests outside their districts to get the other 90 percent.

Mr. Speaker, we are going to have reform, and we are going to have jobs.

#### CREDIT CARD INTEREST RATES MUST FALL

(Mr. ANNUNZIO asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. ANNUNZIO. Mr. Speaker, credit card interest rates are too high and Americans are fed up with paying these high rates because banks have lost money on loans to Third World countries or leveraged buyouts.

In the 27 years that I have been in this House I have fought against high interest rates, particularly on credit cards. Today I am continuing that fight. Last night the Senate passed a cap on credit card interest rates at four points above the rates charged by the Internal Revenue Service on delinquent taxes. That would place a ceiling of 14 percent on credit card rates today. Today I will introduce an identical bill to the one that passed the Senate. If there had been an open rule granted on the banking bill that we will be debating here today, I would offer my credit card bill as an amendment. But since that is not possible, I will push for early passage of my cap bill.

The discount rate is 4.75 percent. That is the rate the Government charges when it lends money to banks. But the rate charged by many banks on credit cards is 19 percent or higher. That is legalized loan sharking. It is putting a plastic pistol to the head of credit card customers and extorting money.

The American people want a cap on credit card interest rates and since this is the House of the people, I urge my colleagues to support my legislation.

#### DEMOCRAT LEADERSHIP FOSTERS ECONOMIC STAGNATION INSTEAD OF SUPPORTING JOBS AND ECONOMIC GROWTH

(Mr. DOOLITTLE asked and was given permission to address the House for 1 minute, and to revise and extend his remarks.)

Mr. DOOLITTLE. Mr. Speaker, I, as a Republican, believe in two fundamental concepts: First, that the family is the basic unit of our society, and that national policy ought to strengthen the family by relieving the crushing burden of taxation that is presently imposed.

Second, I believe that a job is the best form of welfare ever devised, and that national policy ought to be oriented toward job creation and economic growth through a cut in the capital gains tax and other measures. We, as Republicans, believe in incentives to encourage savings and investment in capital formation which is so essential to business expansion. We recognize that business expansion and a thriving economy are the progenitors of employment opportunity. We grow increasingly frustrated as the Democratic leadership allows the national economy to stagnate. We find it incomprehensible that the Democratic leadership seems committed to an economic environment which nurtures unemployment.

Most of all, Mr. Speaker, we know that if we were the party in power, Congress would again become the facilitator of economic growth and prosperity.

#### JOBS OVERSEAS SHOULD BE RETURNED TO AMERICA

(Mr. TRAFICANT asked and was given permission to address the House for 1 minute, and to revise and extend his remarks.)

Mr. TRAFICANT. Mr. Speaker, President Bush said he is getting a bum rap from the Democrats. He is really flying overseas to find jobs for the American workers.

That says it all. The President is right on target. Since 1981 all the American jobs are overseas, and the President knows where to go and find them.

But the truth is, Mr. Speaker, that it was not enough for Ronald Reagan to ship them overseas. President Bush needed a fast track. Think about it. The biggest employment office in America is the unemployment bureau itself.

Mr. Speaker, it is time for Congress to extend unemployment benefits, and it is time for Congress to pass some policies and laws that will return some American jobs to our own country.

#### VIOLENCE IN NORTHERN IRELAND

(Mr. GILMAN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. GILMAN. Mr. Speaker, I rise to voice concern regarding the escalating violence currently plaguing Northern Ireland. Since 1969, more than 3,000 people have died at the hands of terrorists representing the various factions of this ongoing civil strife. Regardless of where we stand on the political issues, it is important that we vehemently denounce the violence which only exacerbates the distrust and suspicion that exists between loyalists and nationalists.

As a new generation of terrorists unleashes its anger, we witness the dismal result that two decades of violence has had on the youth and young adults of Northern Ireland. The sadistic brutality which characterizes the most recent wave of killings, forces us to recognize that continued violence only drives the factions farther away from the possibility of reaching an understanding and dims the hope of achieving an end to years of fighting. Violence begets violence, not peace.

Talks, such as those that took place this past spring and summer, are the most constructive basis on which to base a meaningful peace. During the talks, all the groups unconditionally denounced terrorism as a means of achieving political change. They recognized that what must precede any peace is an end to the violence and a recognition of the groups' common interest.

Let the Congress stand united in our opposition to violence in Northern Ireland and in our support of restarted po-

litical talks as the means of achieving peace. This vicious cycle must first be broken before there can be any hope of an end to the strife.

□ 1240

#### CONGRESS MUST ACT WHERE THE PRESIDENT FEARS TO LEAD

(Mr. DEFAZIO asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DEFAZIO. Mr. Speaker, the President finally says he will sign today's unemployment bill. That is good for hundreds of thousands of Americans who have exhausted their unemployment benefits and cannot find productive work, and good for thousands of Oregonians. It is good news today.

After 4 months of denial, two effective vetoes, the President finally admits there might have been a problem, that some people might have become unemployed, they might not have been able to find work. But he still denies that there is a recession in America today. He still denies that hundreds of thousands of Americans are on the unemployment lines and they cannot find productive work.

Mr. Speaker, the President should act. He should send us a growth package. But he is afraid to. It took him 4 months to recognize the unemployment problem. We cannot wait 4 months for a recovery package. Congress must act where the President fears to lead.

#### THE DEMOCRATS' MAGIC ACT

(Mrs. VUCANOVICH asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Mrs. VUCANOVICH. Mr. Speaker, the Democrats have a magic act that would make Harry Houdini envious.

They have tried to make the President's domestic agenda disappear into thin air. Then, they claim they have never seen it.

The American people know the President has submitted a domestic agenda to this Congress.

I would call a comprehensive crime bill, a comprehensive banking bill, a comprehensive education bill, and a highway bill a thorough domestic agenda.

Yet, the majority, with wave of a wand and a wink from their special interest groups, have relegated these initiatives to legislative oblivion.

Mr. Speaker, when Republicans are in control, this vanishing act would disappear. Republicans would work to implement the President's domestic agenda, not work to keep it from the public's view.

To my colleagues across the aisle who dabble in this sleight-of-hand

trickery, I know where you have hidden the President's domestic agenda. It's in the top hat, underneath the rabbit.

Put the illusions aside. Let's end the magic act, and implement the President's domestic agenda.

#### COMPROMISE SURFACE TRANSPORTATION REAUTHORIZATION ACT

(Mr. BENNETT asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BENNETT. Mr. Speaker, for the last 2 weeks, 96 of our House and Senate colleagues have been meeting to craft a compromise surface transportation reauthorization act. This is quite a formidable task since the differences between the House and Senate versions are so dramatic. However, of all the provisions in the two bills, I am most concerned about the conferees retaining the fast formulas and the 90 percent minimum allocation found in H.R. 2950, the House-passed version of the transportation reauthorization. It was with a great deal of energy and forethought that the House Public Works and Transportation Committee included these provisions in the House version—a bill which received 343 votes. I urge our colleagues to hold firm on these two important issues.

The fast formulas and the 90 percent minimum allocation are of great importance to this Nation's donor States—States that have traditionally contributed a great deal more to the Federal highway trust fund than they received. This Congress has a majority of Members from donor States and you can ask any of them the importance of these provisions. There are States like California, Texas, Florida, North Carolina, Virginia—in fact 29 States that receive considerably less from the trust fund than they contribute. Yet while this inequity continues, some States receive far more from the trust fund than invested.

There is no way that high-growth, high-population States like Florida and the others I have mentioned can continue to meet their transportation needs under the current system or under the Senate bill. That is why I am so pleased that the House bill contains these important formula changes. This Congress heard Chairman ROE, Chairman MINETA, and Mr. HAMMERSCHMIDT enthusiastically pledge, with great faith and fidelity, on October 25 to hold firm on these two critical donor State issues. This is deeply appreciated by the majority of Congress, most of whom represent donor States—States that have been deprived in the past of a fair formula for the distribution of highway funds.

#### SUPPORT BUYER ENCOURAGEMENT ACT

(Mr. RAVENEL asked and was given permission to address the House for 1 minute.)

Mr. RAVENEL. Mr. Speaker, yesterday I introduced a bill to amend the 1986 Tax Reform Act. It will encourage economic growth by providing temporary restoration of the deduction for personal interest. This legislation will encourage consumers to exercise their purchasing power and stimulate the economy.

The laws of supply and demand feed on one another so that buyer reluctance exacerbates a stagnating economy. My bill is a demand-side approach giving consumers positive incentives to borrow and spend. Economists agree that just a small decrease in taxes, which my bill will amount to, has immediate, beneficial multiplier effects. This is what it will take to get our economy out of the doldrums. As always, it has been increased consumers confidence and buying that has pulled our Nation out of its recessions. My Buyer Encouragement Act can be the catalyst. I invite my colleagues to sign on as cosponsors.

#### U.S. GOVERNMENT SHOULD PURSUE MIDDLE EAST TERRORIST GOVERNMENTS

(Mr. SCHUMER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SCHUMER. Mr. Speaker, this morning the Justice Department announced indictments charging Libyan nationals with murder and conspiracy in the bombing of Pan Am flight 103 over Lockerbie, Scotland.

This is a welcome development, Mr. Speaker. But as the father of one of the British citizens killed in the explosion said, "These two Libyans are two minnows in a very large pond."

All the evidence, he said, "points to an unholy alliance between Libya, Iran, and Syria." Why is our Government not pursuing these culprits as well?

Mr. Speaker, 270 innocent people, most of them Americans, were killed on Pan Am flight 103. Three of my constituents died. Syria quite possibly has the blood of innocent Americans on its hands, and yet the Bush administration, incredibly, instead of pursuing Syria's role in this crash, is now contemplating removing Syria from the list of countries that sponsors terrorism.

This is just the latest illogical tilt toward Syria as the administration looks the other way as Syria completes their annexation of Lebanon, refuses to enter direct peace talks with Israel, and continues trafficking in narcotics and terrorism.

Mr. Speaker, did not Saddam Hussein teach us what happens when we try to placate despots?

#### CONGRESSIONAL DEMOCRATS SHOULD ADDRESS PRESIDENTIAL DOMESTIC AGENDA

(Mr. JAMES asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. JAMES. Mr. Speaker, if Republicans were the majority in the House, we would spend less time trying to blame the President for everything that is wrong in our society and more time passing legislation to create jobs and stimulate economic growth.

The President has a strong domestic agenda that the Democratic leadership has chosen to ignore. On March 6, the President challenged Congress to send to him two important domestic bills in 100 days, the highway bill and the crime bill. Mr. Speaker, 253 days later, the Democratic leadership has still not been able to rise to that challenge. The highway bill and crime bill have still not been signed into law.

If we can't get the highway and crime bill to the President in 253 days, the future does not look good for the other important domestic issues that have still not been addressed, including an economic growth package.

Mr. Speaker, I wish your colleagues would spend less energy trying to put the blame on someone else for the recession, and spend more energy on addressing the domestic agenda that President Bush has laid out for us.

#### RELIEF COMING FOR UNEMPLOYED

(Ms. DELAURO asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Ms. DELAURO. Mr. Speaker, three strikes and you're out. The President has finally read the handwriting on the wall, as well as the polls, and has agreed, after two vetoes, to a bill to extend unemployment benefits for working middle-class families left jobless by this recession. This is very, very good news for families struggling from a recession that is now over 2 years old in my own State of Connecticut.

Too many families have been waiting, and waiting, for the President to work with Congress to provide this desperately needed relief. Their sighs of relief are audible even here.

Americans' biggest fear is the possible loss of a job. In a recent poll, 39 percent said that "chances are high" that a family member will lose their job in the near future.

Today we can finally cushion the blow for many who thought they might never see this day; for many who, for the first time in their lives, have been

forced to stand in the unemployment lines; or for many who have had to go home and tell their family that they've lost their job. I know. I listen to their stories every week.

Mr. Speaker, the only question left is, Why did it take the President so long? But the important thing is that the unemployed of America will get a bill and some relief in these prolonged tough economic times.

□ 1350

#### INCONSISTENT POLICY

(Mr. SENSENBRENNER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SENSENBRENNER. Mr. Speaker, would you please tell your fellow Democrats to be consistent. Last year at this time, we had 1-minute speech after 1-minute speech telling George Bush to cave in and to raise taxes to reduce the Federal Government deficit. And he did that.

Now we are hearing that we have got to cut taxes because people are out of work because of the tax increase that the Democrats in Congress hoisted upon the President of the United States. This kind of a yo-yo economy is purely and simply the result of inconsistent policies on the part of the majority in Congress who think that the voters' attention span is less than a minute or two.

I have got news for them. The American public knows why we have economic problems. It is because of congressional overspending and inconsistent tax policy.

It seems to me that we should have taken the advice of liberal and conservative economists last year who said that when the economy is going into a recession the worst thing to do is to raise taxes.

#### PRESIDENT MAY BE PAYING ATTENTION

(Mr. DOOLEY asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DOOLEY. Mr. Speaker, it took 5 months, several more trips overseas, and a lost Senate race in Pennsylvania, but the Bush White House has finally found a jobless benefits extension it can agree to.

Because of that, unemployed American families suffering from this recession have some hope today.

They have some hope because much needed help will arrive soon. And they have hope because serious problems right here in America finally may have captured the attention of their President.

Now that Air Force One is parked on American soil for awhile, maybe the

White House will work with this Congress to forge a domestic policy that meets our Nation's real needs.

#### CROATIA

(Mr. MILLER of Washington asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MILLER of Washington. Mr. Speaker, despite attempts at EC-brokered negotiations, Dubrovnik and Vukovar continue to face devastating shelling claiming more innocent lives.

The EC is apparently now prepared to seek an emergency U.N. Security Council session on Yugoslavia. The United States must play a prominent role in this session. President Bush has announced that the United States will join the EC in imposing broad economic sanctions against Yugoslavia. He should also go on record and urge an immediate cease-fire of hostilities between all parties fighting in Croatia.

Further, the House should pass House Concurrent Resolution 224, introduced by Representative ELTON GALLEGLEY, and House Concurrent Resolution 200, introduced by Representative WILLIAM BROOMFIELD. These two resolutions call for specific steps which will help end the bloodshed in Yugoslavia.

#### FDIC RECAPITALIZATION MUST BE OUR PRIORITY

(Mr. HUBBARD asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. HUBBARD. Mr. Speaker, today the House considers yet another banking bill. Just 10 days ago, on November 4, H.R. 6—the major banking bill—was rejected 89 to 324.

The legislation we consider today—H.R. 2094—was overwhelmingly approved without amendment by the Banking Committee on a 37 to 15 vote. However, it will be the subject of an amendment approved by the Rules Committee, an amendment which I would note was never considered by the Banking Committee. Let's pass this banking bill today without amendment.

Replenishment of the bank insurance fund of the Federal Deposit Insurance Corporation [FDIC] is absolutely necessary—of that there can be no question. I can think of no action more important to our economy which absolutely needs to be taken before we adjourn on or before November 26 than the recapitalization of the FDIC.

At the end of the third quarter of this year, the FDIC's reserves had declined to their lowest level since 1962, having only \$2.5 billion in its coffers. But the FDIC insures 12 times more money today than it did in 1962.

In closing, I urge my colleagues to pass this bill today without amend-

ment. We must act today to recapitalize the FDIC. Without recapitalization the FDIC will not be able to shut the doors of failing banks, and losses at these institutions will needlessly skyrocket.

Without recapitalization, depositor confidence in all our depository institutions will erode—and who can predict the consequences to our economy if that happens?

#### OILSEED SUBSIDIES

(Mr. BEREUTER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BEREUTER. Mr. Speaker, in 1987, the American Soybean Association filed a complaint with the U.S. Trade Representative challenging the EC's system of subsidies for oilseeds in 1987. In 1989, the GATT dispute settlement panel issued findings that the European oilseed subsidy program did indeed violate the General Agreement on Tariffs and Trade. In June this year, the European Community Council of Ministers agreed to implement the GATT panel findings by October 31, 1991, but the next month a new system of oilseeds subsidies was proposed which would guarantee European producers a return that would be twice that of the world market, while U.S. soybean producers operate without a direct subsidy program.

Mr. Speaker, this Member introduced House Resolution 257 last month; it urges that, if by October 31, 1991, the European Community Council of Ministers has not adopted a new oilseeds regime that is fully in conformity with its GATT obligations, the U.S. Trade Representative should immediately take action to compensate for the trade losses caused by the EC's failure to comply with the GATT ruling. The actions taken by the U.S. Trade Representative would remain in effect until the EC brought its oilseeds regime into conformity with GATT obligations.

On November 12, 1991, the U.S. Trade Representative expressed concern that the GATT panel findings regarding oilseeds were not completed and stated that if the EC did not produce an acceptable plan by December 3, then the United States will press forward to reconvene the original GATT panel to re-examine this issue.

This Member is concerned that the EC is again dragging out this issue. If the original GATT panel is to reconvene, more time could pass, probably delaying action past the beginning of our next crop year.

I urge my colleagues to join the 55 Members who have cosponsored my resolution, House Resolution 257, in order to send a strong message to the European Community that we will no longer tolerate their violation of GATT

regarding oilseed subsidies—and to strengthen the leverage of Ambassador Carla Hills.

It is extremely important for our U.S. Trade Representative to have Congress' backing during the negotiation process.

#### ENGLISH FIRST

(Mr. ATKINS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. ATKINS. Mr. Speaker, let me begin by stating the obvious: Every American should learn to speak English.

Having said that, I have just received, through the mail, a copy of a recent solicitation by an organization called English First.

English First's solicitation contained some of the most vile, fetid, racist garbage that I have read in a long time.

This organization, which is supposedly trying to make English the official language of the United States, is trying to appeal to white Americans' most basic racial fears and paranoia.

Consider what will happen if you do not send \$30 to English First.

White children may be taught that they are descendants of European ice people whose lack of skin color identifies them as an inferior race.

Bilingual teachers will do away with English and anything European.

Your children will be taught by minority educators and intellectuals.

Let us look at the obvious facts. Since the birth of our Nation, millions and millions of immigrants have come to our shores and guess what—they learned English.

But now times have changed.

This week, David Duke, the one-time Grand Wizard of the KKK and apologist for Nazi kooks and skinheads everywhere is one step from becoming Governor of Louisiana.

Now English First is trying to ride his filthy coattails.

#### ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore (Mr. McNULTY). This will be the last 1-minute statement. Additional 1-minute statements will be entertained later in the legislative day.

#### AS THIS SESSION DRAWS TO A CLOSE

(Mr. COUGHLIN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. COUGHLIN. Mr. Speaker, as this session draws to a close, the media reports on all of the things we have yet to do.

They say things like:

The Congress hopes to complete consideration of legislation important to the future of this country. Expected items are the highway bill, crime legislation, and banking reform.

Mr. Speaker, lest the American people forget, on March 6, the President required the crime and highway bills be completed by June 14.

It is now November 14, and the media reports the Congress may finish this legislation by the end of the session.

If Republicans were in control of the Congress, these bills would have already become law.

We would be well on our way to making our streets safer and our highways sturdier.

Our banks would be on the road to recovery, and the unemployed would be on the job again.

The Democrats complain that the President has no domestic agenda. Mr. Speaker, I disagree.

The Democrat-controlled Congress will not act on those issues that the people and President believe need the most attention.

And the media continues to report on bills that should have been law 6 months ago.

□ 1300

#### REQUEST FOR PERMISSION TO OFFER AMENDMENT TO H.R. 2094, FEDERAL DEPOSIT INSURANCE CORPORATION IMPROVEMENT ACT OF 1991, NOTWITHSTANDING HOUSE RESOLUTION 277

Mr. ANNUNZIO. Mr. Speaker, I ask unanimous consent that notwithstanding House Resolution 277, that during further consideration of the bill, H.R. 2094, I be permitted to offer an amendment placing a ceiling on credit card interest rates immediately following consideration of the amendments authorized by the resolution.

The SPEAKER pro tempore (Mr. HERTEL). Is there objection to the request of the gentleman from Illinois?

Mr. WALKER. Mr. Speaker, reserving the right to object, I am told that we do not know of any signoff on this on our side. Can the gentleman from Illinois tell me what it is he is doing?

Mr. ANNUNZIO. If the gentleman will yield, Mr. Speaker, that is true. But my unanimous-consent request was dictated to me by the American people. I have been fighting this fight for 3 or 4 years, so I speak for the American people today.

Mr. WALKER. Reserving the right to object, there are a lot of us here who would like to think we speak for the American people. The problem is, the rules of the House are generally such that we cannot get that kind of speaking.

Mr. ANNUNZIO. Mr. Speaker, if the gentleman will yield, all I ask is for the gentleman to join me as I speak for the American people.

Mr. WALKER. Mr. Speaker, will the gentleman tell me what it is he is doing? When he is speaking for the American people, what is it he is doing? That would help me, to begin with here.

Mr. ANNUNZIO. My amendment is very simple. As the gentleman knows, for 5 years I have been trying to put a cap on interest rates. So all my amendment provides is a cap on interest rates on credit cards.

Mr. WALKER. And so the gentleman, I am certain, took this amendment to the Rules Committee, is that right?

Mr. ANNUNZIO. No; I did not take it to the Rules Committee.

Mr. WALKER. Did the gentleman offer this amendment before the Rules Committee?

Mr. ANNUNZIO. No; Mr. Speaker, I did not.

Mr. WALKER. Are we not about to consider a rule on the banking bill, and is that not the appropriate place for this amendment to have been considered?

Mr. ANNUNZIO. My amendment was passed in the Committee on Banking, Finance and Urban Affairs about 3 years ago.

Mr. WYLIE. Mr. Speaker, I object.

The SPEAKER pro tempore. Objection is heard.

#### PROVIDING FOR CONSIDERATION OF H.R. 3575, FEDERAL SUPPLEMENTAL COMPENSATION ACT OF 1991

Mr. BONIOR. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 280 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

#### H. RES. 280

*Resolved*, That at any time after the adoption of this resolution the Speaker may, pursuant to clause 1(b) of rule XXIII, declare the House resolved into the Committee on the Whole House on the State of the Union for the consideration of bill (H.R. 3575) to provide a program of Federal supplemental compensation, and for other purposes, and the first reading of the bill shall be dispensed with. All points of order against consideration of the bill are hereby waived. After general debate, which shall be confined to the bill and which shall not exceed one hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Ways and Means, the bill shall be considered for amendment under the five-minute rule. In lieu of the amendments now printed in the bill, it shall be in order to consider an amendment in the nature of a substitute consisting of the text of H.R. 3757 as an original bill for the purpose of amendment under the five-minute rule, said substitute shall be considered as having been read, and all points of order against said substitute are hereby waived. No amendment to said substitute shall be in order. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House, and the previous question shall be considered as ordered on

the bill and amendments thereto to final passage without intervening motion except one motion to recommit with or without instructions.

The SPEAKER pro tempore. The gentleman from Michigan [Mr. BONIOR] is recognized for 1 hour.

Mr. BONIOR. Mr. Speaker, for purposes of debate only, I yield 30 seconds to the gentleman from Maryland [Mr. McMILLEN].

(By unanimous consent, Mr. McMILLEN of Maryland was allowed to speak out of order.)

#### FLIGHT LIMITS AT NATIONAL AIRPORT

Mr. McMILLEN of Maryland. Mr. Speaker, I take this time regarding a story in the Washington Post that reported that the FAA had lifted flight restrictions and recommended lifting the flight restrictions at National Airport. That is not the case, and I want to make the matter clear for the RECORD.

Mr. Speaker, today it was reported that the Federal Aviation Administration [FAA] had recommended to remove restrictions on the number of flights per hour allowed at National Airport.

However, upon further investigation it appears this is not the case. No recommendation has been made and the FAA is still examining the so-called slot rule.

Mr. Speaker, while the immediate crisis has passed, the fight is far from over. The debate over the high density rule which established flight limitations at four major airports, including National Airport, has a long history and an uncertain future.

Last year, as part of the budget agreement, provisions were placed in the bill—by Members seeking to improve business opportunities for carriers in their districts—to repeal the high density rule. This proposal was vigorously opposed and was reduced to language authorizing the FAA to "look at the situation."

There were a number of good reasons why these flight limitations were enacted to begin with that are still valid today. First, any increase in the number of flights will simultaneously increase safety risks. Increasing flights at National Airport is the equivalent of placing economic gains ahead of passenger safety.

Second, flight restrictions help avoid lengthy delays. Advocates of abolishing the slot rule argue that it will reduce costs to consumers. Increasing the time spent waiting at the airport is not cost efficient. The final reason that flight restrictions are important is because they help contain the level of aircraft noise.

It is imperative that we keep a balance between the rights of those who fly and those adversely affected by air traffic noise. By eliminating flight limitations at National Airport you are disrupting the delicate balance that many have worked hard to sustain. Keep the high density rule in place, it works.

Mr. BONIOR. Mr. Speaker, for purposes of debate only, I yield the customary 30 minutes to the gentleman from New York [Mr. SOLOMON]; pending which I yield myself such time as I may consume. During consideration of this resolution, all time yielded is for purposes of debate only.

Mr. Speaker, better late than never. After saying no twice, the President finally is willing to support a bill funding unemployment benefits for America's jobless.

Mr. Speaker, our message to the President is simple. Welcome aboard.

The American people have been waiting for some lifeline in this recession.

Now one is almost in their grasp. The only surprise is that it has taken this long.

For months the President refused to admit the nature of this crisis.

Why did he change his mind? It has to do with the dreaded "R" word. In fact, two "R" words—Republican and recession.

The President had declared an emergency for the Turks; for the Kurds; for the people of Bangladesh; only for middle-class Americans was there no emergency.

"No big deal," said his Secretary of the Treasury.

Well, there is a recession all right; 8.6 million out of work; 300,000 people a month running out of unemployment benefits.

At this rate, by Christmas more people will be out of work and out of benefits than at any time since the Great Depression of the 1930's.

Pink slips do not make great Christmas presents.

It's a big deal, all right; a very big deal.

We are glad the President has come over to our side.

Of course, it is just a beginning. We need economic growth.

Under this President growth has been the lowest of any President since World War II.

And what about jobs? The fact is, we're losing 9,400 jobs a month. That's the highest since World War II.

We need economic growth, all right. The trouble is, this President does not have a growth plan.

All he does is shrug his shoulders and say we should have done capital gains. Capital gains. That is his only idea.

A tax cut that gives 80 percent of the benefits to those making over \$200,000 a year.

The people who have made out like bandits in the eighties.

Democrats have a plan to promote growth.

It's a middle-class tax cut. It's not money for the wealthy, hoping it will trickle down.

It is a tax cut for average folks, so the money can bubble up.

What does bubble-up economics mean? It means putting money back in the pockets of the people who have been most squeezed by the eighties—squeezed by property taxes; squeezed by health care premiums; squeezed by college tuition, and squeezed by mortgage payments.

We do not want a tax cut for people who take ski trips to the Swiss Alps.

We want a tax cut for people who want to take their kids to a ball game.

That is how to jump start this economy. That is how to get America moving again.

But, Mr. Speaker, first things first. Before we do that, we must pass this bill.

For 6 months now, we have had nothing but cynicism out of the White House, gimmicks, and parliamentary tricks.

It is time to stop playing politics. It's time to start helping Americans.

Mr. Speaker, next week is Thanksgiving. Let us get these checks out in time for turkey dinner. I cannot think of anything more important on our plate.

Mr. Speaker, House Resolution 280 makes it in order to consider in the House the bill H.R. 3575—the Federal Supplemental Compensation Act of 1991. The rule waives all points of order against the bill.

The rule also makes in order an amendment in the nature of a substitute consisting of the text of H.R. 3575 as an original bill for the purpose of amendment. The rule waives all points of order against the substitute.

The rule makes in order no amendments to the substitute, and provides one motion to recommit the bill with or without instruction.

Mr. Speaker, I urge my colleagues to support the rule and the bill.

□ 1310

Mr. Speaker, for purposes of debate only, I yield such time as he may consume to the gentleman from Illinois [Mr. LIPINSKI].

Mr. LIPINSKI. Mr. Speaker, the President of the United States has stated that the recession is over. I commend him for actually using the dreaded "R" word in public.

I hope the 4,500 employees of Midway Airlines, who have now joined the unemployment line, heard the President.

I hope they take comfort in his words during this period of so-called economic growth and prosperity.

I am sure that my constituents, the men and women who flew Midway's planes, manned check-in counters, and maintained aircraft, will not begin to feel the country's economic recovery for quite some time.

Until today, Midway Airlines was America's 12th largest carrier and could boast of being the last survivor of deregulation. Midway Airlines was the cause of a long-awaited rejuvenation of Midway Airport.

Midway Airlines formed a cornerstone in the economic base of the southwest side of Cook County.

Although I am confident that the neighborhood will eventually recover, I am not so confident that the lost careers and broken dreams of Midway men and women will ever be restored.

The quality of life of these individuals has been jeopardized.

I can only hope that the administration will join me in doing everything within our power to help minimize the effects of this tragic situation.

Mr. SOLOMON. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, in rising in support of this rule and the bill, let me just say that this is the fifth unemployment compensation rule we have brought to the floor of this House in the past 4 months. But I would like to think that this effort, this rule, is a little like Beethoven's Fifth Symphony in that it hails a victory for the American people.

Unlike all those which have gone before, this is one rule which brings us a bill that is not weighted down with partisanship or Budget Act violations or veto threats, weights which collectively sank those other previous bills. Instead, this rule signifies a victory for bipartisanship, for compliance with the budget agreement and for cooperation and compromise between the President and Congress. In short, Mr. Speaker, it marks a great victory for our democratic process at its finest, although many of us would have preferred such a victory much earlier in the game, even 4 months ago.

Like any victory that is achieved in a democracy, it is not as neat or as clean or as decisive or even as satisfying as any of us would have ideally preferred. But, Mr. Speaker, we are operating in the rough-and-tumble real world of politics and not in some ideal utopian state. Politics is the art of the possible and the art of compromise, and this compromise was made possible by everyone giving a little and taking a little with no one getting everything that he or she wanted.

I just want to take this opportunity to commend all of those directly and indirectly involved in these negotiations, particularly our Republican leader, the gentleman from Illinois [Mr. MICHEL], and the chairman of the Committee on Ways and Means, the gentleman from Illinois [Mr. ROSTENKOWSKI], and President Bush on their persistence and their dedication and hard work in making this bipartisan compromise come to fruition here today on the floor.

Mr. Speaker, what made all this possible was a sincere belief by all of those involved on both sides of the aisle and at both ends of Pennsylvania Avenue that the time has come to stop playing the narrow politics of partisanship and to start playing the broader politics of addressing real human needs, of finding a way to provide additional relief for the unemployed and for doing so now, today.

What does this compromise emergency benefits proposal do? Well, basically it provides emergency benefits through the next Fourth of July with a reach-back period to March 1 of this year under which some 32 States are el-

igible to participate. The compromise provides a three-tier system of benefits under which all States get at least 6 additional weeks, some 19 States get at least 13 weeks, and some 10 States, hardest pressed, get up to 20 weeks of additional unemployment compensation benefits.

This proposal includes ex-service-men, school employees and contains job search and railroad workers' provisions an amendment that I offered in the Committee on Rules several times.

The total cost of the benefits package is just slightly over \$5 billion, and this in turn is completely financed by several funding provisions. These include the IRS debt-collection authority, a 1-year extension of the 0.2 percent FUTA tax; a revised estimated tax proposal, and a guaranteed student loan debt recovery provision.

It is important to note that over the 5-year period these funding provisions actually bring in \$241 million more than the cost of this program. Think about that.

To quote from the administration policy statement on the bill:

H.R. 3575 meets the requirements outlined by the President. It provides a temporary program for jobless workers. The benefits are paid for each year in accordance with the budget agreement. Therefore, it will not threaten the economic recovery and its associated job creation.

It will not affect the recovery by violating the discipline of the Budget Enforcement Act.

Let me further affirm that this compromise meets the pay-as-you-go requirement of the budget agreement, by quoting from a portion of a letter from OMB Director Darman to our good chairman, the gentleman from Illinois [Mr. ROSTENKOWSKI]:

According to our estimate, the compromise is consistent with the Budget Enforcement Act in each of the fiscal years 1992 through 1995. This, as you know, has been one of the key criteria that the President has insisted upon from the outset.

The letter goes on, and I again quote:

Because the test of consistency with the budget agreement act has now been met on a mutually satisfactory basis, the President strongly urges the prompt enactment of this compromise in order that benefit payments may be made at the earliest feasible date.

Mr. Speaker, I especially want to call attention to two items in this package. First, the provision relating to reform of the Guaranteed Student Loan Program that will bring in an estimated \$115 million. This is similar to a provision we had in the Dole-Michel-Solomon proposal which we wanted to bring to the floor but were not allowed to offer. In essence what that portion will do is to enable the IRS to collect on student loans where previously the taxpayers have had to absorb the cost of billions of dollars in defaulted student loans.

And, Mr. Speaker, you know, nothing aggravates the American taxpayer

more than this issue. After living up to their own obligations and paying off their own loans at great personal sacrifice and suffering in many cases, they then have to shell out more taxes to foot the bill for those who refuse to pay back their own debts. This group, would you believe, includes many doctors, many lawyers, many professionals, and many businessmen who are living high off the hog on taxpayers' dollars. That is disgraceful.

This bill is going to do something about that. The reform proposal will greatly lessen the possibility of such defaults by requiring, listen to this, greater creditworthiness to begin with, and more information to enable us to track and locate the borrower once he leaves school.

More importantly, it authorizes the Secretary of Education to garnish the disposable pay of individuals who are in arrears on their loan repayments.

These reforms are long overdue, in my opinion, and they should ultimately save the American taxpayers billions of dollars.

Second, with respect to the new provision for revised estimated taxes, like many of my friends on the Committee on Ways and Means on both sides of the aisle, I was greatly troubled by this when it first was unveiled; and I still have some pause over that provision. I realize that the negotiators have since worked out most of the problems initially identified with this proposal, and that it will presumably no longer have the unintended consequence of clobbering the little guy who has a one-time gain through the sale of his house or a lump-sum pension distribution.

□ 1320

I do, however, continue to worry about other inadvertent consequences that this might have. But, finally, let me just say I think the one thing that has persuaded me to support this package, notwithstanding these reservations, is the amendment adopted to this bill offered by the gentleman from Iowa [Mr. GRANDY], which will sunset the provisions on December 31, 1996.

That means the temporary tax increase will expire 5 years from now.

Mr. Speaker, I commend the gentleman on his amendment, which I believe was overwhelmingly embraced by the Committee on Ways and Means. The entire compromise package was subsequently reported from the committee by a vote of 29 to 7, with broad bipartisan support.

Mr. Speaker, let me conclude my remarks by saying that I not only support this long-overdue unemployment compensation compromise but I also support the rule that makes it in order. I say this as one who hardly ever supports any kind of restrictive rule.

But I think we do have one of those rare occasions where the bipartisan leadership is in agreement on the rule

and the bill it makes in order. The President is also on board, and the budget agreement is finally being honored as it should have been all along and we never would have gotten into the situation we are in today.

But, most importantly, this rule deserves our support because it is in the best interests of those who have long ago exhausted their benefits and urgently need the extra relief now.

As Mr. Darman indicated in his letter to Chairman ROSTENKOWSKI, and I quote,

The President has instructed the Department of Labor to prepare for implementation, on the assumption that the Congress may act immediately, with a view toward getting checks out before Thanksgiving, wherever possible.

I can think of no further action on the part of this Congress as we race toward adjournment than to assist in expediting the goals of making sure that those checks are going to get there as soon as possible.

That is why I strongly support the rule, and I urge every Member to vote for it and to vote for the bill that is coming right up.

Mr. Speaker, I yield such time as he may consume to the gentleman from Illinois [Mr. MICHEL], the Republican leader who had so much to do with putting together this compromise.

Mr. MICHEL. Mr. Speaker, I thank the distinguished gentleman for yielding.

Mr. Speaker, I will only take a moment because I will make some appropriate remarks at the time we consider the measure, but obviously the rule has to be passed in order that we might consider that.

I too would certainly embrace the remarks I just heard the gentleman from New York [Mr. SOLOMON] make with respect to the importance of our passage of this measure and the adoption of what now will be an amendment to the original base bill that has been agreed to in a very cooperative way by Members of the majority, minority, and the White House.

Since the distinguished gentleman from Illinois [Mr. ROSTENKOWSKI] is on the floor now, I express my personal thanks and appreciation to him especially for the manner in which he has dealt with the minority in crafting this compromise.

So I would, obviously, urge all Members to support the rule and let us get on with the important business at hand.

Mr. BONIOR. Mr. Speaker, I yield 2 minutes to the gentleman from Kentucky [Mr. MAZZOLI].

Mr. MAZZOLI. I thank the gentleman for yielding.

Mr. Speaker, I of course rise in support of the rule, and I rise in support of the underlying legislation.

Around here, the operative phrase is, "Don't settle for a Band-Aid solution;

don't settle for anything except a solution to the underlying root cause of the problem."

Clearly, the bill before us is a Band-Aid solution, and there is an underlying problem, that is, the lagging, flagging economy, the economy which could be in depression in some areas of the country, certainly in recession in most areas of the country, and in oblivion in certain other sectors.

But this is one time where the gentleman from Kentucky and, I would believe, all Members of the House and the other body will support a Band-Aid solution because the pain and the hurt out there among the long-term unemployed is so severe, the infection is raging so greatly that we need to apply a Band-Aid, a poultice, a cooling solution, something to ease the pain until we can deal with the underlying problem.

I think it has been said by both sides of the aisle that there will be attention to the underlying problems, the need to have the economy grow, the various tax changes that might be involved in that, the various incentives that may have to be adopted by this body and the other body to encourage business to develop.

But one way or the other, while we are awaiting the solution of the underlying problems, we need to pass this bill which is before us.

The gentleman from Illinois [Mr. ROSTENKOWSKI] and the other gentleman from Illinois [Mr. MICHEL] are entitled to praise from this body for the work they have done, as well as the Speaker, the President, who have cooperated.

Mr. Speaker, I think this is a great day for the House and certainly, more important, a great day for America.

Mr. SOLOMON. Mr. Speaker, I yield 3 minutes to the distinguished gentleman from California [Mr. DREIER], a member of the Committee on Rules.

Mr. DREIER of California. Mr. Speaker, I thank the gentleman for yielding this time to me, and I rise in support of this rule and congratulate the gentleman from New York [Mr. SOLOMON], my colleague, and Mr. BONIOR for putting this together. I think this is clearly a very difficult and challenging time for all of us in this House and clearly it is for every American.

Last night "Nightline" did a session in which they did not have experts from Washington or other parts of the world talking about the problems that confront us, they instead had people who are being victimized by the economic challenges with which we are dealing here today.

I am adamantly opposed to, and have consistently voted against, every tax increase that has come down the line. I am happy from having just spoken with our distinguished Republican leader, the gentleman from Illinois

[Mr. MICHEL]. I have been assured there is not a tax increase in this package.

I am ecstatic at the prospect of being able to get at those people who have in fact abrogated their responsibility by failing to repay their loans to the Federal Government.

We have doctors, lawyers, and other people who have been making tremendous amounts of money, and yet taxpayers are still saddled with the obligation to pay off the educational expenses of these people.

It seems to me that this may be, as the gentleman from Kentucky just said, a Band-Aid approach. I am concerned about the prospect of people saying, "Well, over the next 20 weeks I don't have to look for work, I will look for it maybe in 19 weeks."

I am concerned about some of the potential impact of this, precedent setting as it is. But at the same time I think we do have to show a degree of compassion for people who truly need it. These are people who are not the standard people who have been welfare recipients in the past, but families, people who have held very good jobs in the past, who through no fault of their own have in fact been thrown out of work.

So I hope very much that we can pass this rule and move ahead with a very balanced approach. I congratulate the President and all those who have been involved and responsible for bringing about this compromise.

Mr. BONIOR. Mr. Speaker, I yield 2 minutes to the gentlewoman from New York [Ms. SLAUGHTER].

Ms. SLAUGHTER of New York. Mr. Speaker, I thank the gentleman for yielding time to me.

Mr. Speaker, today the House votes on a supplemental unemployment benefits package that will at long last provide relief to workers who, through no fault of their own, have exhausted their regular unemployment insurance benefits.

H.R. 3575 represents the fifth such attempt by Congress to help the millions of working men and women struggling to survive a recession that has threatened their homes, their families, and their lives. Both previous measures to extend benefits were cancelled by the President. Finally, the administration has seen fit to work out a compromise with leaders of the Congress to do something for unemployed workers who have spent months wondering whether their Government was going to help them or turn its back on them.

The Supplemental Compensation Act we vote on today is that compromise, and it comes none too soon. In my home State of New York, the unemployment rate stands at over 7 percent. A portion of my district has averaged 9.2 percent unemployment during 1991. Several States have a statewide unemployment rate of 9 percent or more over the last 6 months.

This legislation will help a great many of these workers as it provides that all States will be eligible for at least 6 weeks of extended benefits. Some States, including New York, will receive an additional 13 weeks of benefits, while the bill provides an additional 20 weeks to States with the highest unemployment rates. In addition, H.R. 3575 includes a reachback provision to cover those who exhausted their regular benefits after February 28, 1991, in States with adjusted insured unemployment rates of at least 3 percent. The bill will also extend additional unemployment benefits to eligible employees of educational institutions, ex-service members, and railroad workers with less than 10 years service in the railroad system.

H.R. 3575 does not require an emergency designation in order to comply with the Budget Act. Rather, the package is budget neutral, financed primarily by speeding up and extending revenue intake under current law.

Mr. Speaker, this relief has been a long time coming. I urge swift legislative and administrative action so that hope may be returned as quickly as possible to the millions of Americans who have been waiting for their Government to act.

□ 1330

Mr. SOLOMON. Mr. Speaker, I yield 4 minutes to the gentleman from Ohio [Mr. MCEWEN], a distinguished member of the Committee on Rules.

Mr. MCEWEN. Mr. Speaker, I rise to express a certain amount of concern about why we are in this position presently.

Mr. Speaker, as you know, many of us have longed to provide the extended unemployment to those that are in this condition, and, as you know, the tradition throughout the history of the Congress is such that during a recession, where less jobs are available, it takes longer to find a new job, and so the Congress, recognizing that, provides these extended benefits, as we seek to today.

Now there are three ways that this can be done. No. 1 is that we can use the fund that has accumulated for that purpose, and that way we would not increase taxes or increase borrowing. But under the recent budget agreement that money was all spent earlier in the year, so now Congress is in a position in which it has to do one of three things: Under the budget agreement, it must increase taxes on those that still do have a job, or it will have to go out and borrow the money in the marketplace, or it will have to find the \$5.1 billion someplace in this \$1.3 trillion budget, a very, very minuscule amount of money to gather from throughout the Federal budget.

Mr. Speaker, that was suggested by the President, however in August of last year the Congress, just before

recessing for August, said that the President would provide these funds, and since there was no money left in the unemployment account that he could declare an emergency, violate the budget agreement and go out and borrow the money. The President chose not to do that, and so in September, when the Congress came back, they drafted a new bill that said this:

When the President approves this legislation, an emergency is automatically declared, and, therefore, the budget agreement is hereby abrogated, and the President will go out and borrow the money for the Congress to give for these purposes.

Mr. Speaker, all the time many of us felt it would be appropriate having to do that, as every family does that when they need a little bit of money from one source, they take it from another. We believe that somewhere in the Federal budget we could find the \$5 billion to give to those in need.

But once again Congress refuses to do so, and so now we are here with, quote, a compromise, unquote. It is not a compromise at all. It is just a shifting from borrowing the money and adding to the deficit to increasing taxes.

My colleagues say, "Well, how is it going to increase the taxes?"

I say to my colleagues, "If you walk around this floor anytime over the next hour, they will tell you exactly the number of people that the Internal Revenue Service has estimated will have to pay this tax. They estimate it at about 475,000 people, and since it is only 475,000, why certainly we could vote to tax them and give it to those who are in need without question, and that's obviously a good political move."

Let me just explain what the tax is all about. Presently when a person estimates their income for the following year they are permitted to take quarterly an expectation as to what that tax will be, and in the last quarter, if they have missed it, then they must make up the difference. In other words, if one makes \$45,000 one year, in the next year they are going to make \$53,000. Under this new tax, what it says is that, if one predicts that their income is going to increase to \$53,000, and instead of going to \$53,000, it goes to \$55,000, and you did not estimate that properly during the first three quarters, they not only pay the additional tax; remember the tax is not really due until the end of the year, but they should have paid it all along, and they will not only pay the additional tax, but under this bill they will be hit with a penalty, an IRS penalty, year, after year, after year. And if retirees get a report, a 1099 from their mutual fund, or if they sell a piece of property and there is an unexpected glitch somewhere, not only do they pay the tax on it, but they will be smacked with a penalty, and we intend to use

that money for the next 5 years so Congress can pass this bill today.

Mr. Speaker, it is a questionable approach in my judgment. The better alternative by far would have been to find the \$5 billion and do what they knew was right in the first place.

Mr. BONIOR. Mr. Speaker, I yield 3 minutes to the gentleman from Illinois [Mr. DURBIN].

Mr. DURBIN. Mr. Speaker, Congress has followed a tortured path to this day when we are seeking to extend unemployment benefits to 3 million Americans. Allow me to note several things that have happened during this journey.

President Bush has steadfastly refused to admit that this Nation is in a recession; 93,000 families in Illinois know better. Millions of American families know better. Not only are they in a recession, but their unemployment benefits are exhausted. Their alternative was to turn to welfare.

President Bush refused to sign two pieces of legislation sent to him over the last several months to provide unemployment benefits for these families and to declare an emergency so that it can be done immediately under the budget agreement. The President is willing to ask this Congress to declare an emergency for the Kurds and for Turkey, but not for unemployed Americans.

So, today we have the so-called compromise bill before us, and there is one point which should be made very, very clear. President Bush would not agree on extending unemployment benefits to unemployed Americans unless Congress agreed to raise taxes. That is right; read my lips: unless Congress agreed to raise taxes, and here are the taxes that are raised:

Under current law the unemployment tax rate on employers is set at 0.8 percent. It is scheduled to drop to 0.6 percent after 1995. This bill maintains the higher tax rate for an additional year on employers.

A colleague of mine on the other side of the aisle got up earlier and said he was assured by the leadership that there was not a tax increase in this package. Read on, my friend. There is a tax increase, and President Bush would not agree to this compromise unless it included that tax increase.

Mr. Speaker, it is fundamentally unfair to collect billions of dollars from American employers for the economic emergency we now face and then hold that trust fund sacred, not touching it, and raise taxes again on those employers. The Democrats would have reached into the emergency fund created for that purpose to help the unemployed. The President said, "No; I won't agree to it unless you'll raise taxes."

Remember that when the 1992 election cycle comes around and the President's party starts to talk about their steadfast refusal to ever increase taxes.

Mr. SOLOMON. Mr. Speaker, I yield 2 minutes to the distinguished gentleman from Pennsylvania [Mr. WALKER].

Mr. WALKER. Mr. Speaker, I thank the gentleman from New York [Mr. SOLOMON] for yielding this time to me.

As my colleagues know, the Democrats practice a lot of revisionist history. That last speech was one of the most interesting of the revisionist histories I have heard. What the President said all along was, "You can't increase unemployment benefits without paying for it. You can't add to the deficit."

Mr. Speaker, I am always astounded to hear Democrats come to the floor talking about the President has no domestic agenda. One portion of the President's domestic agenda has been to try to keep deficits from going up. Democrats in Congress consistently frustrate that attempt. They attempt to break last year's budget agreement despite the fact that they were the ones who drove the budget agreement, and now they come and complain about the fact that the President insisted throughout this process that we provide for unemployment benefits, but we do not drive up the deficit in the process of doing so. That is precisely the way they would have treated it. They do not care about deficits. They are perfectly content to spend money any which way they want to, and if the deficit happens to increase, so be it.

Mr. Speaker, the fact is that that is a major problem for the American people because it drives up interest rates. It does all kinds of harmful things for the economy, but then again they are the party who has been perfectly willing to kill jobs in order to try to keep the economy down so that they make out better politically.

That is what we heard a moment ago in the speech of the gentleman from Illinois [Mr. DURBIN]. The problem is that the Democrats consistently attempt to bring down the economic performance in hopes that that will payoff for them in political ways.

Now, it seems to me, that the one thing that has been achieved here is—and it is the main thing that has been achieved in this package—is we now have a package on the floor that is an unemployment bill that does not have increased deficits in it. I think that is an advantage. I personally would have preferred some other way to do it, and I think the President would, too. We would prefer if the Democrats would go after some of the junk they have in the spending packages through this. As my colleagues know, we can find \$5 billion in congressional perks and pork, but the Democrats would not touch that type of stuff because they would prefer to add to the deficit.

□ 1340

Mr. BONIOR. Mr. Speaker, I yield 1 minute to my colleague, the gentleman from Illinois [Mr. DURBIN].

Mr. DURBIN. Mr. Speaker, to respond to my good friend, the gentleman from Pennsylvania [Mr. WALKER], let me say that the fact is that there is an \$8 billion balance in the trust fund created for this purpose. The President refuses to spend that money and refuses to declare an emergency to help unemployed workers.

The gentleman from Pennsylvania will have to concede that his approach, and the President's approach, to this compromise includes a tax increase on American businesses in 1995. The gentleman can dance around and talk about perks and pork all he wants. The fact is that this compromise includes a tax increase. It is a bitter pill for my Republican friends to swallow.

Mr. SOLOMON. Mr. Speaker, I yield 4 minutes to the distinguished gentleman from Washington [Mr. CHANDLER].

Mr. WALKER. Mr. Speaker, will the gentleman yield?

Mr. CHANDLER. I yield to my colleague, the gentleman from Pennsylvania.

Mr. WALKER. Mr. Speaker, I thank my colleague for yielding.

The gentleman from Illinois [Mr. DURBIN] once again engages in revisionism. The fact is that there is no money in the trust fund that has not already been committed under last year's Budget Act. The Democrats in last year's Budget Act understood that there were moneys in these trust funds. They decided to spend it for other things, other than the purposes for which the trust fund was created.

So, therefore, while the money is there, it has already been committed under the trust fund for other purposes.

Mr. PEASE. Mr. Speaker, will the gentleman yield?

Mr. WALKER. That is absolutely ridiculous, and the gentleman once again is misleading the American people.

Mr. PEASE. Mr. Speaker, will the gentleman yield?

Mr. CHANDLER. No; I will not yield. I want to use my own time.

I want to say, Mr. Speaker, that I am very glad we have a compromise here today, and I want to thank the chairman of the Committee on Ways and Means for his leadership, the minority leader, the gentleman from Illinois [Mr. MICHEL], for his leadership, and Senator DOLE for his leadership in bringing about this compromise today. People are hurting out there in America, and I think they have been impatient, and rightfully so.

I am very pleased that workers who are out of work and who have exhausted their benefits in the State of Washington will now qualify for 13 additional weeks of benefits. But I have to say that while I am one who does not normally get up on the floor of this House and engage in this political rhetoric, I am going to today, because I am sick and tired of seeing George Bush blamed for this delay.

When I came back from the August recess, I read in papers from all across this country that the Democrats were going to use the unemployment compensation issue to try to embarrass George Bush, and that is exactly what those original bills were intended to do. All we have to do is read the rhetoric. The President never said no to an unemployment compensation extension. He said, "No, unless you pay for it." He is now signing this bill. We have done it right. It is paid for, and it does not add to the deficit. It does not break last year's budget agreement.

Let me say further that I do not want anybody to think for a second that this Member believes that this is the answer to this Nation's economic problems. People do not want welfare; they want jobs. We have the most significant jobs bill in this Congress waiting in conference right now, and that is the transportation bill. We ought to get cracking and pass that bill and put those Americans who will go to work immediately to work on those thousands of construction projects that will be funded by that bill.

Mr. Speaker, that is the kind of rhetoric that the people want to hear.

Mr. PEASE. Mr. Speaker, will the gentleman yield?

The SPEAKER pro tempore (Mr. HERTEL). The time of the gentleman from Washington [Mr. CHANDLER] has expired.

Mr. BONIOR. Mr. Speaker, I yield 3 minutes to the gentleman from West Virginia [Mr. WISE].

Mr. PEASE. Mr. Speaker, will the gentleman yield?

Mr. WISE. I am happy to yield to the gentleman from Ohio.

Mr. PEASE. Mr. Speaker, I thank the gentleman for yielding.

Mr. Speaker, when my colleague, the gentleman from Washington, spoke, I hope I did not hear him right, but I thought he said, "The American people don't want welfare." I hope he is not equating unemployment benefits with welfare. That is certainly not the case.

My friend, the gentleman from Pennsylvania, said earlier that the trust funds were fully committed by the Democrats a year ago to other purposes. I would like to have him specify what those other purposes were.

Mr. WISE. Mr. Speaker, I appreciate the gentleman's remarks. My observation would be that this bipartisan compromise had better get voted on quickly before it unravels right here on the floor.

Mr. Speaker, I would like to note that I rise in support of the rule.

Mr. Speaker, there are two aspects to this bill. One is the provision of extended unemployment benefits to those who have run through their 26 weeks and through no fault of their own are still unemployed and are trying to find work, and will find work, but they need some additional assistance.

The second issue is how we pay for this, and that is what has dragged this thing out. I wish that the Rules Committee had seen fit to make my amendment in order. My amendment would have changed the way we pay for it from what is on the floor today, because it would instead sequester foreign aid for a period of 4 years, and that money would have been used to raise the \$5.1 billion to pay for this. Unfortunately, my amendment was not adopted, so we have the provisions of the bill before us.

Nonetheless, it is a bipartisan compromise, and the important thing to remember is that the first issue again is to get the benefits to the people who need them the most: for instance, the 12,300 West Virginians who have already exhausted their unemployment benefits but are still unemployed; those families will benefit from this package, and will benefit very soon. Benefits will also go to the additional 300 West Virginia families who every week exhaust their regular unemployment benefits. These people are out looking for work, they are trying to pay the mortgage, they are trying to make their car payments, and they are trying to keep that child in school. Those additional 300 families a week will qualify for this and be able to draw an additional 20 weeks. Benefits will also go to those 16,900 West Virginia families who are currently unemployed and are presently in the first group of benefits, the basic unemployment benefits, and they know that if they are not able to find work, there will be additional relief for them.

I want to stress that these are working families who have deposited taxes into our system for many, many years, and they are simply saying, "We don't want a handout. We just want the assistance given any foreign country to help them over the rough times." These are benefits that are given so we can help our West Virginia families over their rough times.

Mr. Speaker, I urge support of this rule and of this bill.

Mr. SOLOMON. Mr. Speaker, in yielding 3 minutes to the distinguished gentleman from New York [Mr. MCGRATH], let me inform the gentleman from West Virginia [Mr. WISE] that we offered his motion to make his amendment in order. It was defeated on a party line vote, with every Member of his party voting against making his amendment in order. I would have loved to have seen it.

Mr. MCGRATH. Mr. Speaker, I thank the gentleman for yielding time to me.

Mr. Speaker, I am grateful to my colleagues for persevering in the effort to extend unemployment benefits. While I would have liked to see legislation on this issue enacted last July, our democracy does not always produce instant gratification.

To those who criticize Congress for its shortcomings, I would say that the

bill before us is an example of our constitutional system at its best. We began this debate miles apart with both sides voicing legitimate regional, economic, and philosophical concerns. While no one is completely satisfied with the compromises, this bill adequately addresses the issues we wrestled with over the last 5 months.

Most important, Americans in need of a helping hand will soon see some measure of relief from the economic downturn that continues to plague our Nation.

Mr. Speaker, I particularly and especially want to thank our Republican leader, the gentleman from Illinois [Mr. MICHEL], the chairman of our committee, the gentleman from Illinois [Mr. ROSTENKOWSKI], and my colleague, the gentleman from New York [Mr. DOWNEY], whose efforts over the past several days have made this a truly bipartisan initiative.

Mr. Speaker, I urge every Member of this House to support this package.

Mr. BONIOR. Mr. Speaker, I yield 4 minutes to the gentleman from New York [Mr. DOWNEY], who probably more than anybody else in this institution is responsible for moving this legislation forward and for getting the attention of this body to the needs of the people who will be benefiting by this bill. The gentleman from New York has worked tirelessly on it, and he is in my mind primarily responsible for alerting this Congress to the needs of these people who really have very serious problems at this time.

□ 1350

Mr. DOWNEY. Mr. Speaker, let me thank my friend, the gentleman from Michigan [Mr. BONIOR], and also my friend, the gentleman from New York [Mr. MCGRATH], for their kind words.

I want to begin by recognizing the work of the minority leader, Mr. MICHEL. Many people disparage politics today because political parties talk past each other and do not solve problems. I think that the activity of the minority leader in the last couple of days to help forge a compromise stands that theory on its head. He is as interested in my mind in helping those people who need help as any other Member of Congress, and without him I am not sure that we would even be here today. Thank you very much, BOB, for your fine work.

Mr. Speaker, we have heard a lot of revisionist history here, and I do not want to engage in that. We have taken too long, both from the presidential perspective and a Congressional perspective, to be here. There are 8.5 million people unemployed. There are 3 million people who desperately need our help.

Mr. Speaker, my friend, the gentleman from New York [Mr. MCGRATH], referred to those on Long Island. There are almost 93,000 Long Islanders out of

work, and they are desperate for our help. We have finally achieved what we have for so long set out to do, and that is forge a classic compromise.

Mr. Speaker, with all due respect to my Republican colleagues who have come up to the well and said they wanted to pay for it, I understand that, and I think that was the right thing to do. I supported the Rostenkowski amendments in the previous bills to make sure that it was paid for. But none of you did, or very few of you did. So I would not want to simply stand there and say now we have gotten exactly what we wanted and Democrats stood in the way of that. It should have been paid for and it should have been paid for back in August, but there was never any indication back in August that there was an interest in forging a bipartisan compromise.

Mr. Speaker, the problem that exists with unemployment in November, the 17th month of this recession, has existed for the last 6 months, and it will exist for the next couple of years until we finally fix the unemployment compensation system once and for all.

This is a temporary fix in a program that is completely broken. It started to be broken in the early eighties, and now it is completely unworkable. We have States across this country that have high rates of unemployment and yet do not qualify for extended benefits. Until there is a permanent fix in the law, we are going to find ourselves in this situation recession after recession.

So while we are busy throwing sometimes bouquets and boss to one another about who is responsible for what and when, understand one thing: This is a temporary fix. The program is still broken. We still have to find a way for extended benefits to be paid on a more automatic basis so that it can function as the countercyclical tool it was designed to be back in 1935.

Mr. Speaker, if we do not fix it, we will go through this tortured process once again in a couple of years, and lots of innocent people, tens of thousands of them, will be harmed.

Mr. Speaker, let me review one or two points that I feel are absolutely critical. We wanted on our side of the aisle to provide a three-tier layer of benefits, 20, 13, and 6 weeks. We have done that.

We wanted to do something else. We have changed the law and, thankfully, in a permanent way, to make sure that the people who are in the military, honorably discharged, are treated the same way as those members of the military who were separated involuntarily.

There was a big argument about this. Our friend in the Senate, Mr. DOLE, did not want to do that. But Members of Congress in the House here, both Republicans and Democrats, recognized that we needed to put our dollars were

our mouths were when it came to dealing with the heroes of Desert Storm. We make the changes that are necessary for those veterans. We do not have two ways of treating military retirees.

Mr. Speaker, we have mistreated people who left the military 10 years ago. That abuse ends today.

With respect to the people who have exhausted their benefits, the difference between this bill and the Dole bill can be measured in simple numbers. More people—800,000—will benefit from the bill that we will pass today than would from the prior Dole compromise.

The benefit level here, while it comes, in my mind, a month too late, is adequate to deal with the problem. If we recognize that it is only a temporary fix, we will be fully on our way to solving a long term and important problem that faces this country.

Mr. Speaker, this is a middle class entitlement program. Make no mistake about it, the people who are out there who need and deserve these benefits feel they have earned them, and they have. We have finally, finally lived up to our commitment to them. For that, we should all be very thankful.

Mr. SOLOMON. Mr. Speaker, I yield 1 minute to the gentleman from Wisconsin [Mr. SENSENBRENNER].

Mr. SENSENBRENNER. Mr. Speaker, I rise to express my concern that the unemployed in Wisconsin are being left out of this bill. The bill proposes only 5 weeks of extended unemployment compensation benefits for the unemployed in Wisconsin, whereas the unemployed in States like California, Florida, Illinois, and Texas would get 13 weeks, and those who are unemployed in Connecticut, Massachusetts, Michigan, and New Jersey would get 20 weeks of unemployment compensation.

Furthermore, because Wisconsin is ineligible for reach-back benefits under this bill, those whose unemployment compensation benefits have run out by this Sunday would not get any extended benefits under the provisions of this bill.

Unfortunately, this bill does not recognize that the misery of unemployment does not have a geographic boundary. I am very afraid that Wisconsin workers who were hoping that the Federal Government would provide them with relief will be sorely disappointed.

Mr. BONIOR. Mr. Speaker, I yield 2½ minutes to the gentleman from Ohio [Mr. PEASE].

Mr. PEASE. Mr. Speaker, I express my gratitude to the gentleman from Michigan [Mr. BONIOR] for recognizing me.

Mr. Speaker, I rise in support of the bill. It is long overdue for us to be enacting and sending to the President a bill that he hopefully will sign.

As much as I support this bill, I would like to call attention to a major

flaw in the bill, a flaw that was inserted at the insistence of the White House.

All of the previous bills we have considered, including the bill reported by the Committee on Ways and Means 2 weeks ago, calculated whether a State was eligible for reach back or not according to the total unemployment rate of that State. All of the previous bills did that.

I have been pushing the use of the total unemployment rate, the TUR, for 8 years now, because I think it is much more valid than the insured unemployment rate, which does not even count those people as unemployed who have already exhausted all of their benefits.

The White House this week, in fact in the compromise before us today, insisted that we go back to the insured unemployment rate, the IUR, which is inaccurate and not a proper reflection of how many people in a State need help.

The result of the insistence of the White House that we use IUR means no reach back provisions for unemployed workers in Ohio, Delaware, Indiana, Louisiana, New Hampshire, North Carolina, and Oklahoma.

It is going to be hard to tell the workers in those areas who exhausted their benefits months ago that they are not eligible for the reach back provisions that will be available to those in many other States. I am going to have to tell them straight, it is because the White House insisted on using an outmoded and inaccurate measure of the real distress of unemployment in a State.

Mr. BONIOR. Mr. Speaker, I yield 2 minutes to the gentleman from Oregon [Mr. AUCCOIN].

Mr. AUCCOIN. Mr. Speaker, I rise in support of this bill. Yesterday, Oregonians found out that 3,700 people lost their jobs just last month—that's a jump of five-tenths of 1 percent.

It has been 136 days—and two bills—since this House first passed extended unemployment benefits. Since then, 40,653 Oregonians have received their first unemployment check, and 15,549 have received their last. No wonder people are losing faith in Government—no wonder they're fed up.

While Oregonians have been to the unemployment office, the President has been on an all-expenses-paid world tour: France, London, Greece, Crete, Turkey, the Soviet Union, Spain, Italy, and the Netherlands. I hope he stays home long enough to sign this bill.

Maybe during a layover, the President can stop by Portland and meet Wayne Benson and his two kids. Unemployment benefits are getting Wayne the retraining he needs to find real work. Last month, Wayne told me that he would lose his home and his future without his unemployment check. Next week he gets the last one.

Let us pass this bill and get Wayne Benson and 86,000 other Oregonians the

benefits they have earned and need so desperately.

□ 1400

Mr. SOLOMON. Mr. Speaker, I yield 2 minutes to the distinguished gentleman from Texas [Mr. ARMEY].

Mr. ARMEY. Mr. Speaker, there is an old adage that good policy makes good politics. If that is true, today we are going to see the antithesis of that adage. Today we are going to see that bad politics makes bad policy.

Mr. Speaker, the trouble is, we have the wrong bill being made in order by this rule. We do not have here a bill that addresses the real serious needs of all our Nation's unemployed. No, Mr. Speaker. We are making in order here a bill that is a political document that first addresses the needs of the politicians involved and then, secondly, addresses in the most marginal way the needs of only the most elite of the Nation's unemployed.

Not only that, we have put forth a bogus funding proposal that is an embarrassment. Not only have we failed with this bill to do anything within our power, and our responsibility, and our duty to help the Nation's young college graduates find a job in a recovering and growing economy and job market, but we then pretend that we will pay for the costs of paying those who have had already the privilege of working and drawing unemployment benefits by garnishing the wages that these college students will not have in order to pay for it. This is an intellectual and moral sham. We ought to be ashamed to bring a bill of this nature to the floor when, in fact, we ought to have been, since August, instead of playing politics in the most shameful way possible, talking about a growth package to put this Nation's unemployed back to work.

I will vote against this rule, and I will vote against the bill, because the American people deserve more.

Mr. SOLOMON. Mr. Speaker, I yield 1 minute to the distinguished gentleman from Pennsylvania [Mr. SANTORUM].

Mr. SANTORUM. Mr. Speaker, I thank the gentleman for yielding time to me.

I stand here in support of the rule and in support of the bill. As someone who has voted against past measures, simply because I wanted to make sure that when I went to talk to my high school students I would tell them that we are not again going to be spending short term and put the debt on their backs for the rest of their lives. I am glad to see that both sides were able to sit down and work out a compromise, a compromise which, frankly, is not perfect, but not too many are. That is good enough, as far as I am concerned, that Members of this body should be supportive of it because, as the gentleman from New York [Mr. DOWNEY] said, there is a need out there. And there is something that we should be

addressing. I only wish that along with the unemployment package that we are considering today, we would also be considering a growth package that would be looking also at the future of these young men and women who are going to be entering the work force to make sure that they, too, have opportunities that many of us in this Chamber have had, which is an opportunity for a good job, opportunity to build a home and to live and work in a prosperous America.

Mr. SOLOMON. Mr. Speaker, I yield myself such time as I may consume.

Let me just, in wrapping this up, say that I was a little concerned for a while that we were going to get back into the partisan bickering that has delayed this bill for 4 months. But, by and large, I want to commend both sides of the aisle because we have really done what we needed to do. And that is to put this bill together, put it on the floor, and give it to the American people.

I voted against the other measures that came to the floor because I was so concerned that we were not going to live up to the agreement that both sides of the aisle gave to the American people that we would support the budget agreement. We should not increase the deficit.

All of those previous unemployment bills would have done that. They would have added \$6 billion to an already burgeoning \$350 billion deficit. That would have increased unemployment, if we had passed those bills. That would have been wrong.

I want to commend the President for sticking to his guns because we now have a bill that is pay as you go.

We are going to pay for these benefits, which is the way it should be. It will not increase the deficit and, therefore, even though we could not have an economic growth package to go along with this bill that would have created jobs along with paychecks for those that are unemployed at the present time, at least we will provide the necessary benefits that we have to give them today. I urge every Member on both sides of the aisle to support this rule and then support the bill.

Let us get it over to the President and let him sign it, as he has said he will do, and we will get the checks flowing before Thanksgiving.

Mr. Speaker, I yield back the balance of my time.

Mr. BONIOR. Mr. Speaker, I yield myself such time as I may consume.

This legislation helps people who need help, people who through no fault of their own, wake up one morning, go to work, confronted by the boss who says that, "I'm sorry but I have to lay you off. Sales are down. Business is bad. I am sorry."

We are talking about hardworking people who built this country, Mr. Speaker, talking about working fami-

lies, middle-income people, who through no fault of their own, have been put out of work. These are people that get up early. They punch in. They eat lunch at their desk. They sometimes have a second job.

It is a bill that the American people want and have said so, loud and clear for the last 4 months.

Let us pass this bill. Let us get it on the President's desk and let us get it done by Thanksgiving. When we go back to our districts and our townhall meetings and talk to our unemployed men and women, let us be able to look them in the eye and say, we did something for them. Let us be able to say we gave the President yet another chance to give the deserving Americans another chance.

Mr. Speaker, I urge my colleagues to vote for the rule, vote for the bill, and let us get this job done and move on to the questions of growth and getting this economy moving again.

Mr. Speaker, I yield back the balance of my time, and I move the previous question on the resolution.

The previous question was ordered.  
The SPEAKER pro tempore (Mr. HERTEL). The question is on the resolution.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. SOLOMON. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 391, nays 37, not voting 6, as follows:

[Roll No. 395]

YEAS—391

Abercrombie	Boucher	Coyne	Evans	Levin (MI)	Regula
Ackerman	Boxer	Cramer	Ewing	Levine (CA)	Rhodes
Alexander	Brewster	Cunningham	Fascell	Lewis (CA)	Richardson
Anderson	Brooks	Darden	Fazio	Lewis (FL)	Riggs
Andrews (ME)	Broomfield	Davis	Feighan	Lewis (GA)	Rinaldo
Andrews (NJ)	Browder	de la Garza	Fields	Lipinski	Ritter
Andrews (TX)	Bruce	DeFazio	Fish	Livingston	Roberts
Annunzio	Bryant	DeLauro	Flake	Lloyd	Roe
Anthony	Bustamante	Dellums	Foglietta	Long	Roemer
Applegate	Byron	Derrick	Ford (MI)	Lowery (CA)	Rogers
Aspin	Callahan	Dickinson	Ford (TN)	Lowey (NY)	Ros-Lehtinen
Atkins	Campbell (CO)	Dicks	Frank (MA)	Luken	Rose
AuCoin	Campbell (CO)	Dingell	Franks (CT)	Machtley	Rostenkowski
Bacchus	Cardin	Dixon	Frost	Manton	Roth
Ballenger	Carper	Donnelly	Gallely	Markey	Roukema
Barnard	Carr	Dooley	Gallo	Martin	Rowland
Barrett	Chandler	Dorgan (ND)	Gaydos	Martinez	Roybal
Bateman	Chapman	Downey	Gejdenson	Matsui	Russo
Beilenson	Clay	Dreier	Gekas	Mavroules	Sabo
Bennett	Clement	Durbin	Gephardt	Mazzoli	Sanders
Bentley	Clinger	Dwyer	Geren	McColoney	Sangmeister
Bereuter	Coleman (MO)	Dymally	Gibbons	McCollum	Santorum
Berman	Coleman (TX)	Early	Gilchrest	McCrery	Sarpalius
Bevill	Collins (IL)	Eckart	Gillmor	McCurdy	Savage
Bilbray	Collins (MI)	Edwards (CA)	Gilman	McDade	Sawyer
Bilirakis	Condit	Edwards (OK)	Gingrich	McDermott	Saxton
Blackwell	Conyers	Edwards (TX)	Glickman	McGrath	Scheuer
Bliley	Cooper	Emerson	Gonzalez	McHugh	Schiff
Boehlert	Costello	Engel	Goodling	McMillan (NC)	Schroeder
Boehner	Coughlin	English	Gordon	McMillen (MD)	Schumer
Bonior	Cox (CA)	Erdreich	Goss	McNulty	Serrano
Borski	Cox (IL)	Espy	Gradison	Meyers	Sharp
			Grandy	Mfume	Shaw
			Green	Michel	Shays
			Guarini	Miller (CA)	Shuster
			Gunderson	Miller (OH)	Sikorski
			Hall (OH)	Miller (WA)	Sisisky
			Hall (TX)	Mineta	Skaggs
			Hamilton	Mink	Skeen
			Hammerschmidt	Moakley	Skelton
			Hansen	Molinari	Slattery
			Harris	Mollohan	Slaughter
			Hastert	Montgomery	Smith (FL)
			Hayes (IL)	Moody	Smith (IA)
			Hayes (LA)	Moorhead	Smith (NJ)
			Hefner	Moran	Smith (OR)
			Henry	Morella	Snowe
			Herger	Morrison	Solarz
			Hertel	Murphy	Solomon
			Hoagland	Murtha	Spence
			Hobson	Myers	Spratt
			Hochbrueckner	Nagle	Staggers
			Horn	Natcher	Stallings
			Horton	Neal (MA)	Stark
			Houghton	Neal (NC)	Stearns
			Hoyer	Nichols	Stenholm
			Hubbard	Nowak	Stokes
			Huckaby	Nussle	Studds
			Hughes	Oakar	Sundquist
			Hunter	Oberstar	Swett
			Hutto	Obey	Swift
			Hyde	Olin	Synar
			Ireland	Olver	Tallon
			Jacobs	Ortiz	Tanner
			James	Orton	Tauzin
			Jefferson	Owens (NY)	Taylor (MS)
			Jenkins	Owens (UT)	Thomas (CA)
			Johnson (CT)	Oxley	Thomas (GA)
			Johnson (SD)	Packard	Thomas (WY)
			Johnston	Pallone	Thornton
			Jones (GA)	Panetta	Torres
			Jones (NC)	Parker	Torricelli
			Jontz	Pastor	Towns
			Kanjorski	Patterson	Trafcant
			Kaptur	Paxon	Traxler
			Kasich	Payne (NJ)	Unsoeld
			Kennedy	Payne (VA)	Upton
			Kennelly	Pease	Valentine
			Kildee	Pelosi	Vento
			Kleczka	Penny	Visclosky
			Klug	Perkins	Volkmer
			Kolbe	Peterson (FL)	Vucanovich
			Kolter	Peterson (MN)	Walker
			Kopetski	Pickett	Walsh
			Kostmayer	Pickle	Washington
			Kyl	Porter	Waters
			LaFalce	Poshard	Waxman
			Lagomarsino	Price	Weiss
			Lancaster	Pursell	Weldon
			Lantos	Quillen	Wheat
			LaRocco	Rahall	Whitten
			Laughlin	Ramstad	Williams
			Leach	Rangel	Wilson
			Lehman (CA)	Ravenel	Wise
			Lehman (FL)	Ray	Wolf
			Lent	Reed	Wolpe

Wyden	Yatron	Zimmer
Wyllie	Young (FL)	
Yates	Zeliff	

□ 1433

## IN THE COMMITTEE OF THE WHOLE

Accordingly, the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 3575) to provide a program of Federal supplemental compensation, and for other purposes with Mr. LEWIS of Georgia in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. Pursuant to the rule, the bill is considered as having been read the first time.

Under the rule, the gentleman from Illinois [Mr. ROSTENKOWSKI] will be recognized for 30 minutes, and the gentleman from Texas [Mr. ARCHER] will be recognized for 30 minutes.

The Chair recognizes the gentleman from Illinois [Mr. ROSTENKOWSKI].

Mr. ROSTENKOWSKI. I yield myself such time as I may consume.

Mr. Chairman, I rise today in strong support for the Emergency Unemployment Compensation Act of 1991, a bipartisan compromise on unemployment benefits.

I have stood before this body on several occasions in the last few months arguing for an extension of unemployment benefits for millions of unemployed workers and their families. I sincerely hope that at long last we will pass, and the president will sign, this much needed extension of unemployment benefits.

Mr. Chairman, H.R. 3757 is sponsored by the Republican leader, Mr. MICHEL, the majority leader, Mr. GEPHARDT, the acting subcommittee chairman, Mr. DOWNEY, and myself and is the product of good-faith negotiations between Democrats and Republicans in the House, as well as the administration. It represents a good compromise which I expect the President to sign because it is fiscally responsible and it provides much needed benefits to millions of unemployed Americans. In fact, the Director of the Office of Management and Budget, Mr. Darman, sent a letter to me yesterday which said "the President strongly urges the prompt enactment of the compromise." I will submit a copy of this letter for the RECORD.

The compromise bill would retain many of the provisions of the previously vetoed bill, S. 1722, as well as many provisions of H.R. 3575, as previously reported by the Ways and Means Committee. However, the compromise before you today contains important modifications to both the benefit and financing provisions of the prior bills.

First, the Emergency Unemployment Compensation Program would be effective for 7½ months, from November 17, 1991, through July 4, 1992. However, it would have the same reach-back starting date of March 1, 1991, that was included in the vetoed bill. Any worker who has exhausted his or her regular benefits on or after this date would be

eligible for weekly benefits if he is still eligible when the program is effective. States would be able to pay three tiers of benefits of 6, 13, or 20 weeks depending on unemployment and benefit exhaustion rates in each State. Under this bill, 24 States would be eligible for extended benefits under the first tier of benefits, 19 States would be eligible under the middle tier, and 10 States would be eligible under the highest tier. In addition, 34 States would be eligible for reach-back benefits.

Second, H.R. 3757 would retain the provisions in H.R. 3575 concerning job search demonstrations, ex-service-members' benefits, and nonprofessional school employees, and would add a railroad workers provision. The total cost of the benefit package is approximately \$5.3 billion over 5 years. Some 3 million unemployed individuals and their families will receive assistance as a result of these provisions.

H.R. 3757 finances this benefit package with four provisions. First, a permanent extension of the IRS' authority to collect nontax debts through refund offsets of delinquent taxpayers. Second, a 1-year extension in 1996, of the 0.2 percent FUTA tax. Third, a revision of the so-called Bentsen proposal dealing with estimated tax payments that would treat wealthy individuals who make estimated tax payments more like wage earners who are subject to income tax withholding. And fourth, a compromise provision that would enable the Federal Government to collect payments from individuals who have defaulted on their student loans. I want to emphasize that both the proposed increase in the FUTA wage base as well as the proposed spectrum fees have been dropped from the compromise before you today.

The compromise would conform estimated tax payments of taxpayers more closely to their actual tax liabilities. The provision would sunset after 5 years. Only taxpayers whose adjusted gross income is above \$75,000 for the year and whose AGI has grown by more than \$40,000 over the past year will have to increase their estimated quarterly tax payments. Even these taxpayers will be exempt if their \$40,000 increase is from an involuntary conversion or the sale of a principal residence, or if they have not made quarterly estimated tax payments during any of the prior 3 years. In addition, special rules are provided for partnerships and so-called subchapter S corporations.

Mr. Chairman, I also want to point out that the bill I am presenting today contains two provisions that are not within the jurisdiction of the Committee on Ways and Means. The first provision deals with railroad unemployment insurance benefits, and is within the jurisdiction of the Energy and Commerce Committee. This provision would extend unemployment benefits

## NAYS—37

Allard	Doolittle	McEwen
Allen	Dornan (CA)	Petri
Archer	Duncan	Ridge
Armey	Fawell	Rohrabacher
Baker	Hancock	Schaefer
Barton	Hefley	Sensenbrenner
Bunning	Holloway	Smith (TX)
Barton	Hopkins	Stump
Coble	Inhofe	Taylor (NC)
Combest	Johnson (TX)	Vander Jagt
Crane	Lightfoot	Weber
Dannemeyer	Marlenee	
DeLay	McCandless	

## NOT VOTING—6

Brown	Hatcher	Schulze
Campbell (CA)	Mrazek	Young (AK)

□ 1430

Mr. LEWIS of Georgia changed his vote from "nay" to "yea."

So the resolution was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

## MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the House by Mr. McCathran, one of his secretaries.

## ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore (Mr. HERTEL). Pursuant to an event earlier today, the Chair has an announcement relating to recognition.

Earlier today the Chair inadvertently entertained a unanimous-consent request to alter the special order of business established by House Resolution 277 to permit an additional unrelated amendment to H.R. 2094 in the Committee of the Whole. Although objection was heard, the Chair believes that such requests should not even be considered. The Chair had not been informed of the nature of the request and was misled in that regard. It is the type of request that should be cleared with the chairman and ranking minority member of the committee of jurisdiction and with the party floor leaders. This view is consistent with the Chair's previously announced policy on recognition for unanimous-consent requests for the consideration of bills and resolutions, and this announcement should serve as a further elucidation of that policy.

## FEDERAL SUPPLEMENTAL COMPENSATION ACT OF 1991

The SPEAKER pro tempore. Pursuant to House Resolution 280 and rule XXIII, the Chair declares the House in the Committee of the Whole House on the State of the Union for the consideration of the bill, H.R. 3575.

to rail workers with fewer than 10 years of service in the same way it does to other workers. The second provision deals with guaranteed student loans and is in the jurisdiction of the Education and Labor Committee.

I want to emphasize, Mr. Chairman, that both of these provisions were included in the bill only after discussion with and the support of the leadership. In the case of the guaranteed student loan provision, it was included only after extensive negotiations with and at the insistence of the administration. I want to give absolute assurances to the two committees of jurisdiction that the inclusion of these two provisions does not constitute any precedent for the future. The Committee on Ways and Means will not cite the inclusion of these provisions in this bill as a jurisdictional precedent in the future.

Mr. Chairman, we have waited far too long to pass this essential bill providing much needed unemployment benefits to millions of our fellow citizens. Because some unemployed workers might have become discouraged in the process, I urge the administration to widely publicize the availability of these benefits. These individuals deserve the benefits to which they are entitled, and I hope all of them will claim and receive their benefits as soon as possible.

Now is the time for the politics to stop and for us to act. The administration and the States are ready to send out checks before Thanksgiving wherever possible.

I urge adoption of this critical legislation.

Mr. Chairman, the letter to which I referred is as follows:

EXECUTIVE OFFICE OF THE PRESIDENT,  
OFFICE OF MANAGEMENT  
AND BUDGET,

Washington, DC.

HON. DAN ROSTENKOWSKI,  
Chairman, Committee on Ways and Means, U.S.  
House of Representatives, Washington, DC.

DEAR MR. CHAIRMAN: The President has been fully briefed on the unemployment insurance negotiations. He is particularly pleased that, at last, a satisfactory compromise has been reached.

According to our estimates, the compromise is consistent with the Budget Enforcement Act (BEA) in each of the fiscal years 1992 through 1995. This, as you know, has been one of the key criteria the President has insisted upon from the outset. Because the test of consistency with the BEA has now been met on a mutually satisfactory basis, the President strongly urges the prompt enactment of the compromise—in order that benefit payments may be made at the earliest feasible date. He has instructed the Department of Labor to prepare for implementation on the assumption that the Congress may act immediately—with a view toward getting checks out before Thanksgiving wherever possible.

Because OMB estimates that the compromise is fully funded in each of the five budget years, no sequester would be triggered by enactment of the compromise. I therefore respectfully request that you omit any directed scorekeeping language (which

we would, of course, have to oppose—and which is now unnecessary).

In making our scoring estimate, I should note that we have accepted a CBO criticism of our earlier estimate of savings derived from the IRS non-tax debt collection provision. CBO correctly pointed out that we had made our error in our baseline calculation. On the advice of OMB's General Counsel, we are correcting our error (as explained in the attached note). I trust you will find this entirely appropriate.

Again, please let me thank you for your consistent interest in trying to conform with the budget agreement—and in helping, thereby, to make this compromise possible.

With best regards,

RICHARD DARMAN,  
Director.

Attachment.

The baseline in the President's February budget was constructed based on the belief that the law authorizing the IRS to offset against tax refunds debts owed the U.S. was permanent law. However, the IRS refund offset authority in fact expires, pursuant to law, in January 1994.

The Budget Enforcement Act (BEA) provides that, in constructing the baseline, laws are "assumed to operate in the manner specified in those laws." (Section 257) The baseline calculation violated this BEA provision because the IRS refund offset law was mistakenly assumed to continue when the law provides that it expires. This mistake of law was identified by CBO in their February review of the President's budget.

The BEA also provides that, in scoring legislation during the year, OMB must use the economic and technical assumptions underlying the most recently submitted President's budget. This BEA provision and the BEA baseline provision raise a conflict of law. If OMB uses the technical assumption in the budget concerning the IRS refund offset law, it will continue to violate the BEA baseline provision and perpetuate a mistake of law. If OMB corrects the mistake of law, it will arguably violate the BEA provision requiring use of the assumptions contained in the President's budget.

This conflict should be resolved in a manner most consistent with the principles and purposes of the BEA.

The purpose of the "no change" provision of the BEA is to prevent the use of estimating discretion by OMB to shift the baseline during the year. This concern could be implicated if there is a change under any circumstances or for any reason. However, the concern is directed at changes that reflect a change in judgment—better analysis, new information or improved estimating techniques. This concern is reduced (arguably, eliminated) when the change reflects not a shift in estimating judgment, but recognition of an error of law that violates a provision of the BEA.

The purposes of the detailed estimating rules of the BEA were to set forth a precise process for enforcing spending limits and to confine OMB estimating discretion. Allowing a violation of those directives to be uncorrectable would undermine the purpose of the BEA to establish a budget enforcement process based on rules. The estimating rules of the BEA would be rendered meaningless if their violation could not be corrected; a rule the violation of which cannot be remedied is not a rule. Not correcting such a violation would also undermine the purposes of the BEA by increasing OMB discretion—allowing OMB to make erroneous assumptions that violate the BEA but cannot be corrected.

□ 1440

Mr. ARCHER. Mr. Chairman, I yield 6 minutes to the respected minority leader, the gentleman from Illinois [Mr. MICHEL].

Mr. MICHEL. Mr. Chairman, I rise in support of the compromise forged between the President and the bipartisan leadership in this House to provide supplemental unemployment benefits.

Mr. Chairman, I want at the very outset to pay my respects to the distinguished chairman of the committee, the gentleman from Illinois [Mr. ROSTENKOWSKI], for the manner in which he has dealt with the minority in forging this compromise, and also those of his cohorts on that committee.

Mr. Chairman, let me also pay my respects to my ranking member and the Republican members who serve on the Committee on Ways and Means, with whom I may have a difference of opinion. I think primarily, on our side, because of our budget restraints, there are those much more inclined to find an offset by way of expenditure reductions as distinguished from foraging around out there in the wilderness for some means by which we can get the kind of revenue that satisfies our budget agreement, to be perfectly frank. I am getting a little bit wary of having to do that because it is getting more and more difficult all the time.

But I do, as I say, want to thank the distinguished gentleman for giving, as he gave, and for conceding to some of the demands that he made.

In a phone call from the President yesterday he expressed his support for this compromise.

Mr. Chairman, in a letter from the Office of Management and Budget Director Richard Darman, I have been assured that this program is fully funded in each of the 5 years and that it is consistent with last year's budget agreement.

The Department of Labor has indicated to us that the legislation, if enacted in the next day or so, as we expect it to be, there is a real possibility that the checks can be in the mail by Thanksgiving or soon thereafter.

The road to action has, at long last, been laid out before us through compromise. And all we need now is the good judgment to get on with our travel down this road.

The agreement is based on three principles, which the President early on set forth and which we have now accepted.

First, the program has to be temporary. Second, the program is fully paid for, it will not add to the deficit and it will not result in a sequester, which is always a threat out there if we do not abide by the budget rules.

Third, we are not resorting to the declaration of emergency to break the budget agreement. Some would question whether this is really an emergency, or emergency enough to break

the budget agreement. But the minute we do it for one program, it is sure going to follow that we would resort to that mechanism for other programs for which we cannot find the financing.

Now, as the chairman indicated, we do provide the three tiers of benefits under formulas designed to target the benefits where the need is greatest.

Originally, we were at two tiers; so that was a concession on our part to move to the three tiers.

The extended unemployment program agreed upon will provide 20 weeks of additional benefits to 10 States, 13 weeks of benefits to 19 States, and the remaining 24 States will receive 6 weeks of additional benefits.

Now, a reach-back provision will be available to 34 of our States. This means those who have exhausted their regular 26 weeks of unemployment benefits since way back on March 1, 1991, will now be eligible for the additional benefits their States qualify for. Those benefits would be paid retroactively.

Let me touch upon those financing features. As the chairman indicated: First, the IRS tax refund offset program is permanently extended. Second, the program requiring individuals to make estimated tax payments has been modified, but the modifications will expire in 5 years. I think that is important.

Now, individuals making over \$75,000 in adjusted gross income, whose income increases by more than \$40,000 in the next year, will have to make estimated tax payments equal to 90 percent of their tax liability.

This is to get them to make estimated tax payments more in line with their real income and, quite frankly, more in line with what everyday working men and women are obliged to pay by way of their weekly or biweekly withholding.

Mr. Chairman, we have carved out some exceptions so that hardship cases can be avoided. All told, it is estimated that we are talking about 450,000 taxpayers in this high-income category.

I know that our distinguished ranking member has reservations about the concept itself. He is a very diligent member of that committee who knows the workings of tax law much better than I do. But on this issue we have a disagreement. Hopefully, we have protected ourselves enough with the carving out of these exceptions that we will not run afoul of our own doings today, a year or so down the road.

Mr. Chairman, the third financing mechanism is the Federal unemployment tax surcharge of 0.2 percent, which is being extended for 1 year beyond 1995.

And fourth, changes have been made to collection procedures for delinquent student loans.

Mr. Chairman, in this House the majority has its agenda, and we have ours. On many occasions we both feel com-

pelled to address the same issue but in a different way.

At least that is the way we began our discussions on this issue.

Our differences on this issue had to do principally with coverage and financing. We have compromised in order to do what we feel can help Americans in need. It is the right thing to do.

Mr. Chairman, unemployed Americans do need our help; not the rhetoric, or posturing, or the partisan sniping that has taken place. I understand that give-and-take.

But I just want to say again, in conclusion, that there are times when the two sides, the divergent sides, have got to come together by way of compromise in the interests of the American people. I think that is what they would prefer that we do, recognizing sometimes that those differences between the two parties have to be acrimoniously debated in this House before we finally come to an agreement.

But this is a good agreement, and I hope there will be overwhelming support on both sides of the aisle, in support of the compromise.

Mr. ROSTENKOWSKI. Mr. Chairman, I yield 1 minute to the gentleman from Indiana [Mr. JACOBS].

Mr. JACOBS. Mr. Chairman, I rise in support of the legislation. I will skip the usual partisanship and incorporate by reference the obvious.

Mr. Chairman, I do want to make an observation about the provision in the bill that provides for garnishment, regardless of State law, of wages of people who have student loans that are delinquent and have not paid them. I think that is a very good thing to do.

The Government ought to collect the money. In the words of Calvin Coolidge, "They hired the money, let them pay it back."

It is no more than fair.

On the other hand, it is awfully one way, because the private employers to whom the money is owed by Federal employees cannot garnish the wages of Federal employees. What Uncle Sam is saying in this particular provision is very simply this: "Don't call on us, we will call on you." It is time Uncle Sam lived up to the responsibilities of an employer himself and allow just debts to be collected and stop defending deadbeats on the Federal payroll, of whom there is no more than 2 percent.

Mr. ARCHER. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I understand the pressure that the President has been under on this issue. He is a very, very caring human being, and he cares about those who have lost their jobs through no fault of their own and cannot find work through no fault of their own.

□ 1450

However, Mr. Chairman, he has insisted that the budget agreement and

the deficits facing this country not be increased so that our children and their children will not have to pay additional amounts, and to his credit he has won this battle with the Congress. Perhaps unborn generations will never know of this, but he has stood firm in their favor.

I think it should be well understood by this body, and by the people of this country, that this has nothing to do with putting money in the unemployment trust fund. This is strictly a budgetary operation to be sure that we do not increase the deficits. If we want to increase spending out of the trust fund that was not contemplated at the time of the Budget Enforcement Act's passage, then we should offset it. That offset, to me, should be out of other spending programs, not by additional revenues raised from the workers of this country. This plan does not put additional dollars in the fund. Ultimately they must be replaced, and ultimately it is a virtual certainty that payroll taxes will go up to put those dollars in the fund, but we should not have to pay twice out of revenues. Spending should be cut to accommodate this additional spending program to meet the requirements of the budget.

All of us in this House care about the plight of those who, through no fault of their own, have lost their jobs and who, through no fault of their own or their own efforts, are unable to find other jobs. But does the end justify the means?

I stood on the floor of this House in 1986 for 3 consecutive days and pointed out to the people of this country what would happen if we passed the 1986 Tax Reform Act that proposed fairness, and simplicity, and growth. Where is that growth today? But it is *deja vu* because once again the powers—the powers that wish to make something happen because of the pressures that exist currently—have come together to pass this bill, and it will pass overwhelmingly. But my remarks will be in the RECORD, as they were in 1986, and now people come up over, and over, and over again and say, "Why did the Congress pass that act," and I say, "Read the RECORD."

We hear lip service given over and over again by almost all the Members of this body that we have to have fairness and simplicity in the Tax Code, and in its present form this bill does neither. In fact, it exacerbates the unfairness and the complexity of the Tax Code.

I heard in 1986,

We're short of revenue. Let's just give some more penalty options to the IRS. Let's give them some more agents. They'll raise more revenue out of the existing tax code, and that way nobody has taxes increased.

Talk to the people who are being stepped on by IRS agents and hear their stories where innocently they have made mistakes, and they pay, and

pay, and pay. That same thing will happen as a result of this financing mechanism. People will be blind-sided with no knowledge of what to expect on their next year's taxes until they prepare their form in April and until they receive their K-1's by March 15, if they are lucky, and their 1099 by the end of January, if they are lucky.

But the Government under this will have the IRS agents out with their penalty interest to penalize those who fail to pay in advance, and already the Government takes in three to four times more money in overpayments during the year than in underpayments, but those who overpay do not get any interest on the money that the Government uses, which is theirs. This will compound the inequity of those provisions, and it will boomerang on every one of us when payers, taxpayers, legitimately paying their taxes are faced with these penalty interest deficit charges and are forced to pay by the IRS. It imposes unfair mandatory standards of accuracy on taxpayers who cannot find their way out of a new maze of safe harbors in estimated tax collections.

Ironically this bill also sets a very intriguing precedent, one which I do support, for future consideration of economic issues and tax policy proposals before the Committee on Ways and Means. Under the CBO and joint committee scorekeeping this package is \$910 million short in the first year of meeting the requirement of the Budget Enforcement Act. In other words, it increases the deficit in the first year by \$910 million under CBO and joint committee scoring. But when it came before our committee, just in the nick of time, the chairman received a letter from the Office of Management and Budget which said the package would not trigger a sequester, and so expediently the committee disregarded all of the restrictions and strictures that have always been placed upon us in the Committee on Ways and Means to follow CBO and joint committee estimates, and they said, "What's good enough for OMB is good enough for us."

That is an interesting precedent because I have a number of items that I will propose in the future where OMB scorekeeping disagrees with CBO-joint committee which in the past I have been prohibited from offering in the committee, and now I can well say I have got a letter from OMB. That is what counts.

I am really excited about this new precedent that the House will establish today. As I told the chairman in markup yesterday, it opens all sorts of new possibilities for capital gains and other important proposals where scorekeeping differences exist between the administration and CBO-joint committee. It is a great precedent where a letter from OMB is now all we need to

overcome scorekeeping barriers in Congress.

But back to the substance of the committee amendment. It is important to note that the \$5.2 billion drain on the unemployment trust fund makes it virtually inevitable that at some future date, as I said earlier, unemployment taxes will increase. Only a fraction of the revenue generated by this bill goes into the trust fund, and that is from the extension of the two-tenths of 1 cent FUTA surtax way out in the fifth year, and, interestingly enough, we set another precedent with this bill.

Mr. Chairman, the budget enforcement agreement only requires that we measure up in a 5-year window. So, conveniently the committee sunset the revenue raising provisions in the 6th year. That means there is going to be an additional \$2½ billion deficit to be paid for by our children and their children, which will never be recovered by any set aside or offset because, once that year gets into the 5-year window, it will be built into the baseline, and the deficit will increase without remedy on the part of the Congress.

Yes, it can be argued that it provides some relief for the indiscriminate approach which was first proposed in the Senate, would have met my major objections and a forest fire storm, bipartisan in nature, in our committee. In fact, we Republicans on the committee forced negotiators to consider ways to reduce gross unfairness in the earlier version.

Nonetheless, the basic proposition is completely misguided. The estimated tax provisions have nothing whatsoever to do with unemployment insurance. They constitute a multiyear morass of complexity in the tax code to finance a temporary benefit. The estimated tax change is merely a gimmick to increase tax collections from one group of vulnerable taxpayers in order to pay for unrelated increased Federal spending.

Proponents would have the American people believe that the amendment will create hardship only for the wealthy who can easily calculate their tax liabilities. That simply is not true. And we will hear from these taxpayers in the next 5 years. The new standards will ensnare small investors, retirees, owners of family businesses, and people who must sell off assets to meet family emergencies. The partial relief provided for small interests in limited partnerships and S corporations takes a rough justice approach to carving out an exemption with the emphases clearly on rough rather than justice.

□ 1500

Nor does the amendment do anything to solve the original proposal's flaws with regard to other past due entities, such as trust and estates, pension distributions, and, yes, Mr. Chairman, mutual funds, which generally make

their distributions in December, and which are not reported to the taxpayer earlier than the end of January. These are the kinds of people who will be blindsided by the IRS and the penalty interests.

The amendment exacerbates an already serious problem in current law, the ability of taxpayers to obtain the information they need in time to file their taxes and make their estimated tax payments. It provides no relief in that area. Instead, it imposes penalties on taxpayers who simply cannot comply with the law. Is that how we define fairness?

Furthermore, the committee amendment will greatly complicate tax filing for many taxpayers. Not only must they be able to guess their expected income correctly, they must also be able to guess what their deductions will be, both above and below the line. Filling out tax forms once a year is an onerous enough task. I am probably one of the few Members of Congress who does his own tax return each year. I do it because I want to understand how the code works, and it is virtually impossible to do it today with certainty.

This will be absurdly and unnecessarily complex in addition for many Americans. The committee has done important committee work on tax simplification this year. For many taxpayers, however, this amendment will generate enough complexity to eclipse those previous simplification efforts even before they are enacted.

I know there is that certain bipartisan desperation to get the unemployment compensation issue behind us. I am under no illusion that concerns about unfairness, additional complexity, and the budget agreement, will deter those who now want a bill at virtually any cost. This latest incarnation of the estimated tax grab may appear to provide the magical answer negotiators have sought. Members should know, however, that the silver bullet manufactured to finance the package is more than a bit tarnished, even before taxpayers who are affected, have felt its punch. And feel its punch, they will. Have we already forgotten the lessons of section 89—that dire consequences accompany precipitous and ill-informed action? No committee hearings were ever held on this.

Mr. Chairman, make no mistake about it, apparently the majority is willing to pass this bill, but I will vote against it.

Mr. ROSTENKOWSKI. Mr. Chairman, I yield 1 minute to the gentleman from Montana [Mr. WILLIAMS].

Mr. WILLIAMS. Mr. Chairman, I thank the gentleman for yielding time to me.

Mr. Chairman, my legislation, H.R. 3511, to provide extended unemployment benefits to railroad workers is included in the legislation before the House today. We did not provide this

benefit in the earlier bills vetoed by the President, and I am correcting this inequity with this amendment.

My legislation will give approximately 3,000 railroad workers with less than 10 years in the railroad system up to 13 weeks of extended benefits through fiscal year 1992. The number of weeks of benefits depends on the earnings of the worker. Railroad workers who have exhausted their benefits before enactment, but after February 28, 1991, would be eligible when the temporary national trigger is in effect. The amendment also exempts the railroad unemployment insurance fund from sequestration.

This amendment is to the Railroad Unemployment Insurance Act which is in the jurisdiction of the Energy and Commerce Committee. I have the support of Chairmen DINGELL and SWIFT in offering the amendment, and Mr. SWIFT, the chairman of the Subcommittee of Jurisdiction, joins me as a cosponsor. This amendment is an important step for the Congress to provide equity for the men and women who work on our Nation's railroads.

The Congressional Budget Office gave me a cost estimate for this amendment of \$10 million. The current balance of the railroad unemployment insurance trust fund was \$337 million as of June 30, 1991, compared to an average base line balance of \$225 million. Thus, this fund is more than \$110 million above normal balances and could easily fund the \$10 million cost. The \$10 million would be made up in new revenues coming in during 1993 and 1994.

I thank the chairman and the leadership for accepting my amendment to assure that Montana's and America's railroad workers receive extended unemployment benefits.

Mr. ROSTENKOWSKI. Mr. Chairman, I yield 1 minute to the gentleman from New York [Mr. DOWNEY].

Mr. DOWNEY. Mr. Chairman, people from Bayport, Long Island, to Burbank, CA, today are breathing a sigh of relief, especially those people who are out of work or who may be put out of work in the next couple of weeks. They are breathing a sigh of relief because we have finally, here in the House, gotten our act together and have come forward with a bill that will make a difference to them. That is something that has been well said by others.

I want to address what the gentleman from Texas has been talking about, the trade-off, if you will, between the tax changes that the Ways and Means Committee has made and the 400,000 taxpayers that the gentleman is so consumed with, who must earn over \$75,000 this year and must have \$40,000 in extra income next year to even qualify for this new estimated tax, and who will have to pay this tax—and, oh, heaven forbid that they should have to pay a tax on income they earned on a timely basis. That is all we

have done here, to balance that with the fact that there are 3 million people who are out of work and who are looking forward to a check of \$208 a week.

Let me tell the gentleman from Texas that I am happy that those 400,000 taxpayers have to pay the taxes they owe, because there are millions of Americans who richly deserve the benefits from the proceeds of that tax. That is what this is all about.

Mr. Chairman, there are those of us over here who want to make sure there are benefits flowing, and there are apparently plenty of Members over there who seek no other concern than to protect the wealthiest taxpayers in America.

The CHAIRMAN. The time of the gentleman from New York [Mr. DOWNEY] has expired.

Mr. ROSTENKOWSKI. Mr. Chairman, I yield 1 minute to the gentleman from Ohio [Mr. PEASE].

Mr. PEASE. Mr. Chairman, I thank the gentleman for yielding time to me, and I rise in support of this bill.

In my opinion, this bill is about 4 months overdue, but the old phrase is: "Better late than never." I hope that we can get this bill to the President as soon as possible.

I would like to commend the chairman, the gentleman from Illinois [Mr. ROSTENKOWSKI], and the minority leader, the gentleman from Illinois [Mr. MICHEL], for their excellent work in finally bridging the differences and bringing the bill to us. I would like to commend the gentleman from New York [Mr. DOWNEY] for his great leadership on the Unemployment Subcommittee that over the months worked so hard to bring us this bill that is on the floor today.

We all recognize that this bill is not all that it should be or all that we want it to be. First, it is a temporary fix, not the permanent reform of unemployment compensation that we should have passed long ago.

Second, there is an egregious flaw insisted upon by the White House which denies Ohio and six other States reach-back benefits.

Nonetheless, Mr. Chairman, this is an important and a vital bill for millions of Americans who are unemployed and who have lost their benefits. We ought to pass it today overwhelmingly.

Mr. Chairman, let me advise my colleagues that the cities of Lorain and Elyria in my home district have the highest rates of unemployment in the State of Ohio. Unemployed workers in my district, as well as throughout the country, are in desperate need of the additional benefits this bill provides.

There is one glaring difference between the recession we are currently experiencing, and previous recessions. That difference has to do with the effectiveness of the unemployment compensation system. This system was established, not only to provide income maintenance for workers losing their jobs through no fault of their own, but also as a countercyclical measure for the economy.

During the 1974–75 recession, 81 percent of unemployed workers eligible to receive extended benefits got them. During the 1979–80 recession, this figure was 60 percent. And during the 1981–83 recession 51 percent of unemployed workers eligible for extended benefits got them.

However, during the current recession, only 5.7 percent of those eligible for extended benefits have gotten them. In fact, right now, no State qualifies for extended benefits under the current program, notwithstanding the fact that 2.4 million people have exhausted their regular benefits during the recession and 1.5 million continue to be unemployed.

Mr. Chairman, almost 8½ million people are out of work. The situation will get worse before it gets better. More people are losing their jobs now than have in the past few months. Initial claims for unemployment benefits are averaging 435,000 per week which is up from 400,000 per week back in July.

Another positive aspect of this bill is that it will not add to our already enormous deficit. The benefits provided by this bill are fully paid for over the next 5 years, as is required under last year's budget agreement.

Just recently, the Treasury Department released the financial totals for the fiscal year ended September 30, 1991. As expected, the Federal Government ran its largest 1-year deficit in history—almost \$269 billion. Unfortunately, this distinction is likely to be short-lived. The deficit for this fiscal year is expected to be even worse.

Last year we decided to impose constraints on our ability to increase programs without paying for them. These constraints are needed if we are ever going to get a handle on the deficit. They also serve a useful purpose in forcing us to evaluate the propriety of any proposed program because we must also fund it.

The Democratic Party has tried on two previous occasions to provide supplemental benefits to unemployed workers. Each time, the President has thwarted these efforts. Now, the President is feeling the heat and has decided to support this bill. By doing so, he hopes to deflect criticism of his lack of a domestic program. Regardless of his motives, I am glad he has decided to do the right thing.

Mr. ROSTENKOWSKI. Mr. Chairman, I yield 1 minute to the gentleman from Texas [Mr. PICKLE].

Mr. PICKLE. Mr. Chairman, four times our committee has produced an extended benefits bill. Four times we have marched up this hill, and four times we have been frustrated and disappointed. Now there is agreement between the chairman of our committee and the leadership on the Republican side and the White House.

We have produced a good bill that accomplishes the job ahead of us. It is time now to stop the fighting and vote on this measure. It is not a permanent bill. It is not a permanent fix. It does not satisfy every State, but it does get the benefits to the people who need them.

Now, I ask the Members to remember this: You and I are here to legislate. We are here to make a decision. We are here to consider what is good and what

is bad, and we have finally put a bill together in this instance. We have got to make a decision. We cannot simply say, "I want to disagree" or "There is one aspect here I don't like."

Mr. Chairman, the fact is that this essentially does what needs to be done. We really ought to reach a conclusion in the next few minutes, quit the talking, and pass this bill.

Mr. ROSTENKOWSKI. Mr. Chairman, I yield 2 minutes to the distinguished chairman of the Committee on Education and Labor, the gentleman from Michigan [Mr. FORD].

□ 1510

Mr. FORD of Michigan. Mr. Chairman, I thank the gentleman for yielding.

Mr. Chairman, I stand here with the feeling that anyone might have with an automatic weapon against his temple. I come from a part of the country that is in terrible pain because of unemployment—extended, long-term unemployment. I cannot vote against a bill, no matter what it has in it, that will provide some relief for these people.

But I have to tell you, this is a bad bill. This is not a bad bill when one examines what it does for your unemployed workers. But it is a totally dishonest bill when you examine what it does to other people who are going to pay for it.

Mr. Chairman, the fact is that this bill has been used by the White House and Mr. Darman to blackjack our leadership into agreeing to take the guaranteed student loan program, which was designed to lend money to students over age 21 who are too poor to go to school, and deny them a loan unless they can show creditworthiness with a national credit organization. If they cannot show creditworthiness, then they have to find a cosigner who can show creditworthiness.

Mr. Chairman, that is the end of loans to many low income people in this country. The program was started for people who could not walk into a bank with a cosigner and borrow money. This turns around 26 years of a commitment to the people of this country to give people access to education. Indeed, for my unemployed auto worker, if he has been out of work long enough to exhaust his unemployment and he stays out of work while he goes on this unemployment, he had better find a job doing something other than improving himself, because if he wants to borrow money to go back to school to get a job in some field that he is not trained for now, we are not going to help him, because he cannot get a positive credit statement. If he has been out of work that long, chances are he has not been paying his bills.

Mr. Chairman, that is how they purport to save money. I do not object to the money they save by collecting money from people who have defaulted

on their student loans. I object to using this as a rationing device to keep people from getting loans in the first place and then claiming, as the administration does, that they will save \$1 billion.

They will save that \$1 billion at the expense of training after high school for the people we are going to be depending on for the work force of this country for the rest of this decade.

Mr. Chairman, it looks like President Bush has postponed his world tour long enough to stop home and check his messages. The message is one that this Congress and the American people have been trying to send the President since the beginning of the summer: Over 3 million unemployed people in this country are hurting and they need a hand. With Senator WOFFORD'S stunning upset victory on November 5, the people of Pennsylvania sent the White House the most convincing message of all. The voters' message to George Bush was clear: Help us and help us now, or you will be unemployed in November 1992.

I was interested to see that only last night, the President finally expressed his concrete support for legislation to help the unemployed. This is the same man who not 2 weeks ago said that the number of jobless in our Nation constituted only a "tiny percent" of all Americans. Mr. Chairman, I wish that were the case; it is not in my district. I have stood in this well before and shared with my colleagues the grim economic picture in my district and in the State of Michigan. I have spoken of the number of unemployed. I have said that WARN notices, notices of plant closings and mass job layoffs, have long since exceeded the number Michigan had in all of last year and I have called attention to the amount of mail I have received on this issue. None of these statistics embody the desperate situation that exists in my district like the real stories that I hear every day from my constituents.

There is a woman in Wayne, MI, by the name of Diane Thornton. She has raised a family and held a job all of her adult life. Like so many people in the 15th District, the recession has hit her hard. Ms. Thornton was laid off from her job at a small manufacturing plant a number of months ago and has been looking for work ever since. Mr. Chairman, despite all of her searching, all that Diane Thornton can find is a job at McDonald's. The bill that we are considering today is hardly a victory for Diane Thornton. She is in the process of losing her house and her car, and is rapidly running out of options. The two bills that the President vetoed might have helped Diane Thornton. The measure before us today may be too little too late for people like her. Creditors and bill collectors are calling Ms. Thornton day and night and all that President Bush has been able to tell her is that she is among a "tiny percent" of Americans who are without work and that prosperity is right around the corner. Mr. Chairman, my constituents deserve a break today, and it is not a job flipping hamburgers at McDonald's.

President Bush recently slammed Congress again for failing to pass a capital gains tax break. Mr. Bush claims that it is measures like this that will help our economy and create

jobs. Mr. Chairman, Diane Thornton does not have any stocks and bonds she can sell. She cannot even make her mortgage payments. This same attitude was reflected on the floor of this House a few weeks ago when a number of my colleagues actually came to this well and said, "When the rich get richer, the poor get richer too." Somehow I don't think that my constituents, who are worried about making it through a bitter Michigan winter, would find that slogan very comforting. President Bush can talk trickle-down, growth, and jobs, and blame Congress all that he wants, but the people in my district know who vetoed two extensions bills.

The compromise legislation that we are considering here today is far from perfect, but it is deserving of our support. H.R. 3575, the Federal Supplemental Compensation Act, would provide extended benefits to our long-term unemployed workers only until July of next year. An additional 6, 13, or 20 weeks of aid would be available to workers who have exhausted their regular benefits based on the severity of unemployment in each State. Michigan, which has recorded average unemployment rates of around 9 percent over the last 6 months, would qualify for the full 20 weeks of extended benefits. This legislation would also reach back to help certain workers whose benefits expired after February 28, 1991.

Mr. Chairman, I support this bill despite the fact that it is too little and in many cases too late. It is better to give hard-pressed unemployed people something rather than nothing, and it is better to provide help late rather than never.

I also support this bill despite the fact that it makes major changes in the Guaranteed Student Loan Program that are bad public policy. The Guaranteed Student Loan Program is in the jurisdiction of the Education and Labor Committee which I chair. I did not agree to these changes in the program. Unfortunately, in my view, the House leadership agreed to accept them with a gun held to their head by the administration. The administration has brought in through the back door changes in the Guaranteed Student Loan Program that they could not successfully obtain in the regular legislative process. The administration has exacted a very heavy price in educational opportunities for American students in return for desperately needed benefits for the unemployed. It is a classic case of legislative extortion.

The most outrageous provision related to the Guaranteed Student Loan Program requires that student borrowers over the age of 21 must undergo a credit check for which they may be charged up to \$25. Those who, in the judgment of a lender, have an adverse credit history must obtain a creditworthy cosigner before they can receive a loan. This turns the purpose of the student loan program on its head. The program is supposed to open educational opportunities to those who are not creditworthy. If we only wanted to lend to creditworthy borrowers, we would not need the Federal Guaranteed Student Loan Program. We provide a Federal guarantee precisely because student borrowers are not creditworthy. This provision specifically affects the nontraditional students—students who are older, over

the age of 21. These older, nontraditional students are now the majority in postsecondary education. Under this provision the unemployed auto worker who has missed some payments on his or her bills will have to find a creditworthy cosigner in order to get a student loan—not a likely prospect. Therefore, this unemployed auto worker will not be able to obtain a loan to return to school to get the training he or she needs to qualify for employment in the rapidly changing and increasingly high-technology job market.

Another particularly harsh and unwise provision allows student loan guaranty agencies and the Secretary of Education to garnish wages in order to obtain repayment on defaulted student loans "notwithstanding any provision of State law." Therefore, regardless of the priorities established by state law for garnishment, such as child support or alimony payments, student loans can be placed at the head of the line ahead of all other debts.

Mr. Chairman, despite these flaws, I support this compromise. I urge my colleagues to pass this bill and give the American people the help they so desperately need.

Mr. ARCHER. Mr. Chairman, I yield 1½ minutes to the gentlewoman from New Jersey [Mrs. ROUKEMA].

Mrs. ROUKEMA. Mr. Chairman, I am pleased to rise today in support of H.R. 3575, to extend for up to 20 additional weeks benefits to unemployed American workers. In my State of New Jersey, unemployed persons will be eligible for the full 20 additional weeks of benefits. I wish to direct my brief remarks, however, to the guaranteed student loan [GSL] provisions contained in the bill.

Mr. Chairman, in these uncertain economic times, with millions unemployed or threatened by unemployment, this action is long overdue. I deeply regret these delays; but I am more than reasonably assured that we have a balanced proposal worthy of support.

As a member of the Committee on Education and Labor who has worked for a number of years to win approval of various initiatives that will curb student loan defaults, I am extremely pleased to note that this bill includes several of my antidefault proposals. First, this bill requires lenders to obtain the GSL applicant's driver's license number at the time of application. These changes in law should be adopted permanently and extended beyond this emergency provision.

Second, this compromise measure requires institutions to obtain through exit interviews specific information from each borrower: the expected permanent address, the name and address of the expected employer, and the name and address of the next of kin. Institutions are required to submit this information to the holder of the loan.

Third, this legislation allows the Secretary of Education to obtain from other Federal agencies information concerning the names and address of both borrowers and their employers.

These provisions will enable the Federal Government to more easily locate borrowers who are in default.

This bill includes several other significant provisions that will better enable the Federal Government to curb defaults. In order to ensure the creditworthiness of borrowers, lenders will be required to conduct credit checks for all students aged 21 and over—current law prohibits credit checks for GSL's). For those with negative credit ratings, a creditworthy cosigner will be required. To cover their costs, lenders will be permitted to charge applicants \$25 or the actual cost of the credit check, whichever is less.

To prevent borrowers from using bankruptcy law to shield themselves from GSL repayment obligations, this bill requires lenders to obtain a GSL borrower's signature to give clearance for confessed judgment at the same time the borrower signs the promissory note for the loan. This provision simply precludes borrowers who file for bankruptcy from evading GSL repayment prior to a judgment by the bankruptcy court.

This bill also gives the Secretary of Education the authority to garnish up to 10 percent of defaulters' disposable pay. Current law allows student loan payments to be deducted from the wages of Federal workers. In addition, the IRS is authorized to withhold defaulters' Federal tax refunds. It is important to note that a number of conditions designed to protect the rights of borrowers must be met before a borrower's pay can be garnished. Further, the wages of borrowers who have been laid off during the prior 12-months period cannot be garnished. Nor does this provision give the Secretary the authority to garnish work-related benefits such as Social Security payments and Federal unemployment compensation.

With respect to this last provision, Mr. Chairman, it is my understanding that the use of the term "disposable pay" will serve to ensure that this new authority does not interfere in any way with a borrower's obligation to make court-ordered child support payments. Were this provision to interfere with such borrower obligations, I would have to oppose it.

In conclusion, Mr. Chairman, I commend the Committee on Ways and Means for including in this important measure to provide extended benefits for unemployed Americans these GSL Program reforms. As one who has devoted a great deal of time and attention to ensuring the integrity of Federal student loan programs, I certainly applaud these GSL reforms.

Mr. ROSTENKOWSKI. Mr. Chairman, I yield 1 minute to the gentleman from Michigan [Mr. LEVIN].

Mr. LEVIN of Michigan. Mr. Chairman, we are talking about people thrown out of work. Now some want to

throw them out on the street. We are talking about people from all walks of life.

Mr. Chairman, I met on Monday with three such people. They had worked about 90 years among the three in retail sales, and one as an engineer. They had things like this to say: "I have worked all my life," one said. "When it comes time to take back a little, there is nothing there for me."

Another said, "When out of work, it is not a recession, it is a depression."

One of them, an engineer in his sixties, has been looking everywhere for work. All he has been offered is to wash windows. An engineer. He would do that, if he could.

This step is long overdue. The delay has been a disgrace. Talk about unfairness, the greatest unfairness is to say no to people out of work through no fault of their own, saying let them eat crumbs.

Mr. Chairman, let us pass this bill.

Mr. ROSTENKOWSKI. Mr. Chairman, I yield such time as he may consume to the gentleman from Maryland [Mr. MFUME].

Mr. MFUME. Mr. Chairman, I rise in support of the measure before us. I urge an aye vote.

Mr. ROSTENKOWSKI. Mr. Chairman, I yield 1 minute to the gentleman from Maryland [Mr. CARDIN], a member of the Committee on Ways and Means.

Mr. CARDIN. Mr. Chairman, let me thank the gentleman for yielding.

Mr. Chairman, H.R. 3575, the benefits provided are very important to the people of our Nation. For the people of Maryland our unemployment rate is 50 percent higher than it was before this recession. Over 40,000 people in my State have exhausted their State unemployment benefits who will benefit now from H.R. 3575 by 13 additional weeks of unemployment compensation.

Furthermore, the provisions for reachback to March 1 will apply to the people of Maryland. It is not only important for the people who are unemployed, who have been the hardest hit by the recession, but for our economy to get badly needed funds into our economy.

Mr. Chairman, I am not happy with the funding mechanism. There is \$8 billion in a trust fund that I think should be used during a recessionary time. I think we have added some additional complications for U.S. taxpayers. But it is important to point out that this bill will provide badly needed benefits.

Mr. Chairman, this is a temporary bill. The gentleman from New York [Mr. DOWNEY] pointed out on several occasions this bill expires on July 4, 1992. We needed to look at a permanent bill that provides relief during a recessionary time with funds collected while we have a rosy economy.

Mr. Chairman, there are 133,000 people unemployed in Maryland and only 46,000 are receiving unemployment

compensation, the lowest in any recession. We need to act on this bill, but then we need to come back and pass a permanent bill so we are not in this problem again during the next recession.

The CHAIRMAN. The gentleman from Illinois [Mr. ROSTENKOWSKI] has 14 minutes remaining and the gentleman from Texas [Mr. ARCHER] has 9½ minutes remaining.

Mr. ROSTENKOWSKI. Mr. Chairman, I yield 1 minute to the gentleman from New Mexico [Mr. RICHARDSON].

Mr. RICHARDSON. Mr. Chairman, many have speculated why we are here, the President's declining poll ratings, the Pennsylvania Senate race, the negotiating skill of the gentleman from Illinois [Mr. ROSTENKOWSKI] and the gentleman from Texas [Mr. ARCHER]. But whatever the reason, it is about time. It is about time we put politics aside and start helping our own disenfranchised, rather than those of every other country.

We are a nation trying to break out of our longest recession. Currently there are 8.6 million unemployed Americans and within the last week an additional 33,000 Americans have applied for unemployment benefits across the Nation. These people have families they have to feed, clothe, house, and take care of in an economy where there are simply not enough jobs—in New Mexico alone, the unemployment rate has remained at over 6 percent and the number of employment beneficiaries continues to rise.

Mr. Chairman, like many of my colleagues, I am concerned about the health and well-being of our Nation's unemployed. I am proud to fight for America's families by supporting this important legislation and I urge my colleagues to do so as well.

Mr. ROSTENKOWSKI. Mr. Chairman, I yield 1 minute to the gentlewoman from Connecticut [Mrs. KENNELLY].

Mrs. KENNELLY. Mr. Chairman, I rise in strong support of H.R. 3575.

It is about time those working Americans who find themselves unemployed in these difficult times actually start to receive the benefits we have been talking about since August.

The Ways and Means Committee, on which I sit, has approved no fewer than four extended unemployment compensation packages. And this is the third time the House has taken up this issue. I am pleased that we can finally all stand here today with a compromise that the President has pledged to sign. It is my hope that by next week these benefits can actually get into the hands of those who need them.

For Connecticut this bill has good news and bad news. The bad news is that our economic situation is bad enough to put us in the most distressed category. The good news is that this means Connecticut gets the maximum additional benefits.

So, Mr. Chairman, I rise in strong support of this bill. Fully 37 percent of the unemployed in Connecticut have exhausted their benefits. This legislation will provide these individuals with the assistance necessary to tied them and their families over until they can find new jobs. I urge my colleagues support.

□ 1520

Mr. ROSTENKOWSKI. Mr. Chairman, I yield 1 minute to the gentleman from New York [Mr. ENGEL].

Mr. ENGEL. Mr. Chairman, I rise in support of H.R. 3575, the extension of unemployment benefits for people who have lost their jobs.

This is the third time since the beginning of August that Congress has attempted to extend unemployment benefits. The President has blocked our other two attempts to extend these needed benefits. But he's finally agreed to sign this bill. Better late than never.

The President's hiding behind the budget agreement in vetoing the previous bills has resulted in a 4-month delay in getting extended unemployment benefits to people who have lost their jobs through no fault of their own.

This is a disgrace considering the fact that there is an unemployment insurance trust fund with an \$8 billion surplus which is being used to do nothing but mask the size of the Federal budget deficit. This money should be used for what it was originally intend to do, pay for extended unemployment insurance for hard working men and women who have lost their jobs.

Mr. Chairman, unemployment insurance is not welfare or a government handout. People pay into the unemployment insurance fund so that they can have a safety net should they lose their jobs. The President may not realize it yet, but this country is in a severe recession and we need to help people so that they can pay their mortgage, put their children through school, and put food on their tables.

Mr. Chairman, for the third time, let us pass an extension of unemployment benefits and send it to the President for his signature. Although it is later than it should be, I am glad that the President is finally going to sign this bill. We must get these benefits out to the millions of people who desperately need them. I ask the Members to support the bill.

Mr. ROSTENKOWSKI. Mr. Chairman, I yield 1 minute to the gentleman from Michigan [Mr. HERTEL].

Mr. HERTEL. Mr. Chairman, people in this country are in trouble. Families in the United States are in trouble.

We have had the lowest housing starts in the history of the country since 1945, the lowest car sales in the history of this country. We have had the lowest number of new jobs created in the last 3 years since Herbert Hoover was President in the Depression.

Mr. Chairman, our people need help. This is a start. They need more. They need jobs. They need progress. But this is a start.

Mr. ARCHER. Mr. Chairman, I yield 3 minutes to the gentleman from Florida [Mr. SHAW].

Mr. SHAW. Mr. Chairman, I thank the gentleman for yielding time to me.

We have before us a very tough mixture and, I might say, one of the toughest votes that I am going to face since I have been in the Congress.

I first of all want to pay tribute to our chairman who, instead of politicizing an issue, as was done down the hall in the other body, he went head to head with the administration and worked out a deal. I have severe problems with this deal, but at least it gets over the problem of the integrity of the Budget Act of last October.

It does show that we have Members here in the House of Representatives that are willing to use their motivation to put people back to work, people who are out of work and cannot find work, at least to get the benefits out to them. At least he is doing something about it instead of playing politics.

But I have also very, very severe questions as to how this has been done. The gentleman from Texas [Mr. ARCHER] pointed out that this is probably one of the worst tax bills that we have ever had. We are springing it on the American people.

It is not fair, and it is a bad tax. There is no question about that.

Then we have the question which has been politicized for the last month or two, and that is the question, over the last several months, the question of people talking about the \$8 billion in the trust fund. What trust fund?

There is a trust fund on paper only. That trust fund is part of a unified budget which has been used up. It is gone. There is nothing but IOU's in that trust fund.

Let us not have any mistake about it. The Committee on Ways and Means and the administration have to go in and try and find some real dollars in order to solve the question.

What it has done, by jimmying around some accounting figures, it has come up with the necessary amount in order to protect the integrity of the Budget Act. That is important.

Even in these last minutes of debate, I am still in doubt as to how I am going to vote on this bill because deciding between needed benefits and bad tax law really puts us in one heck of a problem.

However, we can get around this. We can stop this shell game we are playing by taking this trust fund as other trust funds off budget. There is no reason why a trust fund that is set up specifically and receives contributions specifically for the purpose of taking care of the unemployed should take care of running down the deficit of this country. That is not what it is for. It is un-

fair. We should start a new beginning, not today, because we cannot do it, but we have to start with some truth in accounting in this Government. We need to start talking about taking these trust funds off of budget where they do not count any more than an attorney's trust fund would count in building up his own personal income statement.

It is unfair. It is about time that we start considering fairness and truth in accounting and taking care of our Government. I do not know how this particular bill is going to fly, but I think that we did show that this body did rise above politics. This message is something that I hope they are hearing down at the other end of the hall in the Senate.

Mr. ARCHER. Mr. Chairman, I yield such time as he may consume to the gentleman from New York [Mr. GILMAN].

Mr. GILMAN. Mr. Chairman, I rise in strong support of this measure. It is sorely needed, and I hope my colleagues will endorse it.

Mr. Chairman, I rise in support of H.R. 3575's program of federal supplemental compensation and I would like to commend the gentleman from Illinois [Mr. ROSTENKOWSKI], the gentleman from New York [Mr. DOWNEY], and the ranking minority member, the gentleman from Texas [Mr. ARCHER], for their efforts in bringing this very important issue to the floor, and for working out a compromise acceptable to the administration.

Mr. Chairman, our Nation is still suffering from the effects of the recession. There are still too many people unemployed. The unemployment rate now stands at about 7 percent. As we speak, 8.75 million Americans are out there looking for jobs.

We cannot ignore these unemployment statistics. The Congress cannot turn its back on our Nation's workers who have found themselves out of work due to the recent recession.

The general upturn in our economy is encouraging. But our workers have not yet found jobs and their unemployment insurance is about to run or has already run out.

In my congressional district in New York there is an even greater rate of unemployment than the national average. Many of my constituents inform me that they cannot find work and as their unemployment insurance runs out, they cannot even feed their families.

It is time that we address their desperate situation. Let us throw our hard-working citizens a lifeline of additional unemployment benefits to keep them afloat a little while longer. Let us extend their unemployment benefits a little longer until these hard-working Americans, who have been put out of work through no fault of their own, can find employment in our reviving economy.

Mr. Chairman, I support this measure and I urge all my colleagues to support this measure. It is the responsible thing to do in the best interests of our Nation.

Mr. ROSTENKOWSKI. Mr. Chairman, I yield 1 minute to the gentleman from Illinois [Mr. COX].

Mr. COX of Illinois. Mr. Chairman, I thank the gentleman for yielding time to me.

I rise today in support of this legislation in a third attempt to provide unemployed men and women and their families with urgently needed extended unemployment benefits.

The current economic situation, which the President has just recently realized is a problem, has left over 8½ million American workers unable to find jobs. By summer's end that number included 11 percent of the work force in Rockford, IL, which is the economic hub of my district.

While we must address the needs of the unemployed, we must also maintain our commitment to fiscal responsibility. I ran for this office promising the people of my district that I would address every piece of legislation with the premise of "how we will pay for it." This legislation does that. Thanks to the work of Chairman ROSTENKOWSKI and the Ways and Means Committee, this legislation is budget neutral. It determines exactly where the money to pay for the extension of benefits is going to come from.

Considering this, I strongly urge my colleagues to support this legislation. We cannot continue to deny the temporarily unemployed of this country with the emergency extension they so need.

Mr. ROSTENKOWSKI. Mr. Chairman, I yield 1 minute to the gentleman from Illinois [Mr. HAYES].

Mr. HAYES of Illinois. Mr. Chairman, today is a day of jubilation for the diverse faces of this Nation's work force who are without work and have ultimately exhausted their unemployment benefits. I feel good that we are voting on a humanitarian issue—targeted for Americans—which President Bush has agreed to support. The numbers of the unemployment compensating exhausters reached 3 million during this protracted recession. I cannot help but ask myself: How long does it take before the voices of hard working Americans can be heard by their government? It seems that the rapid deployment efforts fail when American workers and their families are stranded.

Mr. Chairman, from the ditch diggers, to the carpenters, to the office workers and the engineers, many have suffered both physically and mentally. Budget concerns glazed with political rhetoric blocked the path of extended unemployment benefits, despite all of the stories that we have heard and read about in the news of how families and their children are suffering. We cannot overlook the accounts of mental breakdowns that occur when a breadwinner becomes helpless and must watch the needs of his or her family go unmet. This recession has real consequences that effect real people.

In my view, this is certainly not how the working people of this country should be treated. It should not take 3 months, by any reasonable measure, to get benefits to people that have paid taxes for benefits all along.

Just briefly, Mr. Chairman, I do want to express my concern about the financing of this bill. I, without question, fully support the extension of benefits. However, pitting one group of victims against another by the Government stepping up its efforts to collect on student loan defaulters, is a sad commentary. Without debating the issue of student loan defaults, many students merely cannot repay these loans—loans that the Federal Government provided at a time when these very students should have been receiving grants. This Government, in large part, has helped to create a phenomenal default rate, and now are exacerbating the situation with a new twist on robbing Peter to pay Paul.

Unemployment benefits should not be about how long the extra benefits should last and how to pay for them, but this issue is about government airlifting its citizens from harsh economic conditions. After all, Mr. Speaker, people from around the globe receive the help from the U.S. Treasury without paying any taxes. What more is it to ask assistance for those that pay taxes to the U.S. Treasury?

The American workers know that it was not the mailman that delayed extended benefits due them. They very well know that the delay was caused by a lack of concern by their President. On the next opportunity that President Bush gets to help those that earn a living on the brawn of their back and through the use of their hands, I hope that he orders rapid deployment.

Mr. ARCHER. Mr. Chairman, I yield 2 minutes to the gentlewoman from Connecticut [Mrs. JOHNSON], a highly respected member of the Committee on Ways and Means.

Mrs. JOHNSON of Connecticut. Mr. Chairman, I rise in support of this bill. I am deeply pleased that we are finally able to act.

Connecticut is one of those States that qualifies for 20 weeks. That means that we have an extraordinary number of people who are feeling the harsh, real pain of prolonged unemployment. They are good folks. They have worked hard all their lives. Most of them are simply the victims of a serious recession and a number of other forces at work in our society.

□ 1530

Regardless, we are finally doing what I believe we needed to do. We are addressing a fierce need of hardworking Americans, but we are doing it responsibly.

I think it is important to put on the RECORD that we would not be doing it responsibly if it were not for the President's tough veto hand. He has taken enormous personal hits on this. He has been out there, made to look vicious and mean, when all he was trying to do was to get us to fund the benefits we offer the people, and that is our respon-

sibility. It is because of the deficit that we have built up that America's economy is fragile, that our people are so vulnerable, and if we do not change our ways by funding new benefits without going through months of delay through this veto exchange, then we will continue to do damage to the reputation of democracy and of this House.

So I rise in strong support of this bill because it not only provides much needed benefits, but it does fund them in response to the President's leadership.

Mr. ROSTENKOWSKI. Mr. Chairman, I yield 1 minute to the gentleman from Ohio [Mr. TRAFICANT].

Mr. TRAFICANT. Mr. Chairman, in 1988 President Bush promised 30 million new jobs, and ever since, Mr. Chairman, American workers have been waiting, waiting. The truth is the American worker has stopped waiting and is now reading the want ads.

The legacy is clear. The President now knows it. He is not flying overseas for publicity. He says he is looking for jobs for American workers, and that is a part of the legacy. Americans' jobs since 1981 have moved overseas, and it is appropriate that the President should go and try and find them.

Now, Mr. Chairman, I want to thank you for this bill. Ohio did not have much to say in this bill. If they did in Ohio, then I do not know what the hell they are doing.

But I do want to say this, I want to say thank you, because 10 percent of something is better than 100 percent of nothing.

Let us pass at least some help for the American workers who are unemployed.

Mr. ROSTENKOWSKI. Mr. Chairman, I yield 1 minute to the gentleman from Ohio [Mr. FEIGHAN].

Mr. FEIGHAN. Mr. Chairman, I rise in support of the bill before us, and I thank very much and commend the chairman, Mr. ROSTENKOWSKI, for bringing this bill and being so tenacious in bringing an unemployment benefits extension bill to this floor. The first two bills that he brought to the floor were exceptionally good. Unfortunately, the refusal of the President to support either one of those measures has now sacrificed in our State of Ohio 53,000 workers who are not going to get assistance under this bill. Twice before the President blocked unemployment benefits extension legislation. Twice already we have had to cut back in what we were asking for the unemployed.

Now, in order to get some help for those desperate unemployed Americans before the end of this year we had to strike a deal, so now the reachback benefits are going to be eliminated for Ohio and six other States just so we can get the President for Ohio and six other States just so we can get the President to sign the bill. That means

that 53,000 Ohio workers who have already exhausted their benefits, who cannot find work, who are getting nothing in the form of income right now, who do not know where their next check is coming from, who were dependent on this legislation, are out of luck. The White House has let them down.

Part of me, obviously, would like to oppose this bill, but I will not because we have 85,000 unemployed workers who will be eligible under the bill. But I want to say that the American people are going to remember the President's record on this issue of unemployment benefits, and 53,000 Ohioans are not going to forget they were sacrificed to appease the President's position.

Mr. ROSTENKOWSKI. Mr. Chairman, I yield 1 minute to the gentleman from Pennsylvania [Mr. FOGLETTA].

Mr. FOGLETTA. Mr. Chairman, today, I rise to support H.R. 3575, our latest effort to extend unemployment benefits.

Mr. Chairman, the unemployed men and women of this country have been waiting all year for this legislation. Thanks to the diligence of my colleagues, Chairman ROSTENKOWSKI, Minority Leader MICHEL and TOM DOWNEY, we have this legislation to consider today.

Finally, our President has seen the writing on the wall. And the message on the wall was written in Pennsylvania last week.

Pennsylvanians have made it clear—it is time for the Federal Government to respond to the needs of Americans.

That means the President must support an extension of unemployment benefits for unemployed American workers who are victims of this recession.

But we must not stop here.

President Bush must sign the Family and Medical Leave Act to support our working families.

And he must show real commitment to reform our sick health care system.

Finally he must give real tax relief for working, middle-income families.

Mr. Chairman, I am pleased to support this legislation today to extend unemployment benefits. Finally, we can provide humanitarian aid for working Americans.

Mr. ARCHER. Mr. Chairman, I yield 1 minute to the gentleman from Indiana [Mr. BURTON].

Mr. BURTON of Indiana. Mr. Chairman, I am very concerned about the unemployed of our country, but we have to put everything into perspective. The fact of the matter is last year the economy was doing well and we raised taxes on the backs of the American people by \$181 billion, and that is the reason that the unemployment rate has been going up. And what are we doing with this legislation? We are going to add another \$2 billion or \$3 billion to the deficit. The deficit this

year is going to be \$400 billion, the largest in U.S. history, and these young people up here in the future are not going to be able to get a job because we are destroying the economy with these huge deficits. This short-term solution is going to cause, along with all this other profligate spending, massive unemployment in this country, a major economic downturn. We have to get control of our appetite for spending and we should start with this one, even though I am very concerned about the plight of those who are unemployed.

Mr. ARCHER. Mr. Chairman, may I ask how much time remains?

The CHAIRMAN. The gentleman from Texas [Mr. ARCHER] has 3½ minutes remaining, and the gentleman from Illinois [Mr. ROSTENKOWSKI] has 5 minutes remaining.

Mr. ROSTENKOWSKI. Mr. Chairman, I yield 1 minute to the gentleman from Kentucky [Mr. MAZZOLI].

Mr. MAZZOLI. Mr. Chairman, I want to thank the gentleman from Illinois for the time and salute him. There are 20,000 unemployed people in the Louisville area, which I represent. There are 135,000 unemployed Kentuckians in the State which I am privileged to represent. Each one of them sends his and her thanks to the gentleman from Illinois [Mr. ROSTENKOWSKI], the other gentleman from Illinois [Mr. MICHEL], and the gentleman from New York [Mr. DOWNEY] on having had the perseverance and the tenacity to bring this bill to the floor today.

I said earlier today that this was a Band-Aid approach. It delivers pain relief, but not a solution to the cause of the pain. But certainly this bill is a wonderful step forward. It does signify the concern we have for unemployed people. It is a bill that ought to pass with broad and general support. Then, having applied the Band-Aid, we can get down to the signal problem of the patient, and that is something we will have to deal with.

Mr. ARCHER. Mr. Chairman, I yield 2½ minutes to the gentleman from Texas [Mr. ARMEY].

Mr. ARMEY. Mr. Chairman, I thank the gentleman for yielding time to me.

Mr. Chairman, today we are here to do what is fair, or at least to partially do what is partially fair. Mr. Chairman, it would have been fair if in 1989, when the President was sworn in and he warned of the possibility of a recession that the Congress might have taken seriously and acted upon his recommendations for a growth package to avoid the recession. It would have been fair in the summer of 1989, when the majority of the House Ways and Means Committee, and by a 100-percent majority here in the House, we would have passed the growth package named Archer-Jenkins as we did in the House and failed to do in the Senate to avoid that recession.

It would have been fair if we had not imposed 181 billion dollars' worth of taxes at the inception of that recession in that defunct budget summit deal that caused the recession to get worse, but because we could not be fair then we now have thousands of American workers out of work. The most tragic of these are the young folks who have just gone to 4 years of college, come out of college with their new degree, and all of their hope, and all of their optimism, and cannot find a job. But today as we are being fair, do we relate to them? No. We have no time for them in this bill, Mr. Chairman.

It would have been fair if we had had a growth package for those discouraged workers who have given up looking for a job to open up the growth of the economy so they should have some hope, some chance to have a job. Did we worry about that? No. We did not think that was necessarily what was fair.

It would have been fair if we had taken the unemployed workers who have exhausted their benefits and put them in an economic growth economy where the jobs would come back and they could go back to work. But that was not considered fair by the Democrats.

□ 1540

What we are doing to be fair today, Mr. Chairman, is to give them another 10 or 20 weeks of dependence on that unemployment check and let them worry about when and if they will ever get another job. The only thing that is fair about this is politics for those people who think the American people are shortsighted, greedy, and stupid enough to buy this as responsible public policy.

I suggest we vote no and then get busy on a growth package and give the American working men and women a chance in this economy.

Mr. ROSTENKOWSKI. Mr. Chairman, I yield 1 minute to the gentlewoman from New York [Mrs. LOWEY].

Mrs. LOWEY of New York. Mr. Chairman, I rise today in strong support of this critical legislation. Millions of Americans are unemployed. Millions have seen their benefits begin \* \* \* and end.

We began this process months ago. In early August, we sent to the President the first of several bills to respond to that emergency situation. But while Americans suffered, the administration delayed.

There should be no mistake about it. American families have already paid the price of the administration's months of outright denial that we are even in a recession.

If anyone in this Chamber questions that reality, let me tell you what this recession is doing to two families in New Rochelle, NY:

Ernesto Gaglianese, a laborer, has been out of work for 6 months. He and

his wife are caring for his wife's mother. That makes it impossible for his wife to work. But they have a mortgage and a 17-year-old son at home. They are deeply worried about what will happen to them when Ernesto's benefits run out next week.

David and Maureen Zaccagnino also live in New Rochelle. They bought a house with a mortgage that takes two incomes to pay, that is not uncommon in this day and age. Last year, they bought a car that Maureen uses to travel to the two jobs she is holding down, one full time and one part time, to try to make ends meet. David has been out of work for months, and their savings are running low. Next they will have to put their home up for sale, and in this economic time, they do not know whether or not they will be able to sell it. But they feel that they will have no choice but to try.

As Maureen Zaccagnino said:

I never thought in my life—never—that I would have to live through what my father went through in the depression. This isn't a slump \* \* \* people are losing their lives, their families.

Mr. Chairman, David Zaccagnino's unemployment benefits also run out next week. We must move today to send this bill to the White House. Too many have already suffered from the inaction caused by intransigence on the part of the administration for almost 4 months. I urge my colleagues to pass this bill today.

Mr. ROSTENKOWSKI. Mr. Chairman, I yield 30 seconds to the gentleman from Pennsylvania [Mr. BLACKWELL].

Mr. BLACKWELL. Mr. Chairman, I rise to support this bill.

It amazes me how those who live well in this country would not give the same right to working-class people. We export jobs to Mexico, we export jobs to Japan, and we sell them nothing, and when the American worker is out of work, we refuse to give them unemployment compensation.

As I stand before God, no health care, no jobs, no unemployment compensation: The American worker is not a stepchild of the world, and we must learn that, I hope to God, that one day they wake up and find out that they have supported the wrong people. That is why we have the problems that we have in this country today.

Mr. ROSTENKOWSKI. Mr. Chairman, I yield 30 seconds to the gentleman from Kentucky [Mr. HUBBARD].

Mr. HUBBARD. Mr. Chairman, I congratulate the gentleman from Pennsylvania in his second day as a Member of the U.S. House of Representatives upon such an eloquent statement.

On behalf of the many unemployed in Kentucky including my own congressional district where there are thousands of unemployed coal miners in the high-sulfur coal fields of western Kentucky, and on behalf of 540 people recently unemployed at York Inter-

national Corp. in Madisonville, KY, and other unemployed people across my district, I salute the work that has been done toward a compromise for unemployment compensation benefits extension.

I support this legislation and urge my colleagues to do likewise.

Mr. ARCHER. Mr. Chairman, I yield 1 minute to the gentleman from California [Mr. RIGGS].

Mr. RIGGS. Mr. Chairman, I thank the gentleman for yielding me this time.

Mr. Chairman, I just want to stand up here and say that I guess everything that could be said has been said except for one thing, and that is that this is only part of a two-part play, and the sequel on economic growth and job creation is every bit as important as the opening act.

Now, there are Democratic leaders in this Congress who have been saying, and this is from the Wall Street Journal, "We are not going to adjourn until such time as an unemployment insurance extension bill has been approved."

I want to submit to you, my friends over there, that you can go on Bush bashing, you can go on demagoging this issue, or we can turn our attention to fashioning on this floor an economic growth package that will tell those folks when they have exhausted this round of unemployment insurance benefits that we are concerned about creating jobs for them.

You control the schedule. You control the rules. Let us have the all-important debate now on economic growth and job creation.

Mr. ROSTENKOWSKI. Mr. Chairman, I yield 1 minute to the gentleman from Tennessee [Mr. FORD].

Mr. FORD of Tennessee. Mr. Chairman, on behalf of the people I represent in Memphis and others in the State of Tennessee and for those who have already exhausted their benefits and those who will soon be exhausting their benefits, I certainly would like to thank you, Mr. Chairman, and the chairman, the gentleman from Illinois [Mr. ROSTENKOWSKI] and the subcommittee chairman, the gentleman from New York [Mr. DOWNEY], for bringing this bill back after the President saw fit to veto this legislation in the past.

It was your leadership and the leadership of the gentleman from New York [Mr. DOWNEY] that insisted upon this Congress being sensitive to those who are unemployed and those who have exhausted their benefits.

Knowing that we are faced with a recession, a sluggish economy, knowing many people who are out of work in this country, yes, this is only a Band-Aid. We need to get on about the business of doing other things for the unemployed in this country, but I think it is high time that we move this legislation on out and get it signed by the

President and give the relief that is needed for the unemployed and those who have exhausted their benefits.

Mr. ROSTENKOWSKI. Mr. Chairman, I yield myself the remainder of my time.

Mr. Chairman, this has been a long, tedious debate. We have been discussing unemployment now for almost 4½ months.

There have been some severe differences of opinion. This is one of the rare times, however, that when you have concluded debate you feel some elation that there has been a bipartisan effort displayed, that the mix has been that we have given and we have taken.

I would like to pay my particular respects to the minority leader, the gentleman from Illinois [Mr. MICHEL], with whom I have worked over the last 72 hours in trying to come to a conclusion in this debate. I think that although I am sure he is not satisfied as I am not satisfied, ultimately we have done what I believe is the legislative thing: we have come to an agreement. We have compromised.

I just know that although none of us walks away winners, the people that will be getting their checks, I hope before Thanksgiving, are recognizing that the Congress is now working in the best interests of the country.

Mr. SMITH of Florida. Mr. Chairman, will the gentleman yield?

Mr. ROSTENKOWSKI. I am happy to yield to the gentleman from Florida.

Mr. SMITH of Florida. Mr. Chairman, I thank the gentleman for yielding.

Mr. Chairman, I rise in full support of this piece of legislation and commend the chairman and the rest of the committee for coming up with something that, frankly, is valuable for many, many Americans in this country, and I urge its passage.

Mr. DOOLITTLE. Mr. Chairman, while I recognize that it may not be politically expedient to do so, I have no choice but to oppose H.R. 3575, the latest version of unemployment compensation amendments. In fact, to be frank, I find myself increasingly baffled and angered by legislative action in this body which ignores real problems and concentrates on treating symptoms.

What can we be thinking about? How can we consider imposing a greater tax burden on Americans, such as is mandated in this bill, without also offering definitive proof that we will take meaningful steps to improve their future? When we've exhausted the latest round of unemployment benefits provided under this bill, then what will we do? Spend more money that we haven't got?

If we really recognize the seriousness of unemployment as a national problem—and I believe that it is serious—why are we not taking responsible steps to create jobs by adopting an economic growth package? Earlier today, I pointed out that the key to employment opportunity is economic growth—growth dependent upon government policies which stimulate savings, investment, capital formation, and busi-

ness expansion. That's where new jobs come from. Instead of recognizing the root cause of the problem, we continue blind allegiance to the Band-Aid approach, stubbornly continuing to administer the same ineffective medicine despite the fact that it has not helped the patient.

I could, and would, have supported the President's original plan—but this proposal is not it. This bill has absolutely nothing to do with economics or fiscal responsibility or legislative leadership; it has everything to do with politics. I cannot condone it, and I am appalled that so many of my colleagues are allowing themselves to be so badly fooled.

I will vote "no" because this approach is simply wrong. It's time we did something meaningful to really help unemployed Americans by adopting a pro-growth economic package coupled with providing interim relief for the unemployed.

Mr. McMILLEN of Maryland. Mr. Chairman, I and many of my colleagues are understandably amazed at the about-face made by the administration on the issue of unemployment extension. But I must say, we are also delighted.

Whatever degree of appreciation the unemployed can show the administration for its reconsideration of this matter however, must be multiplied tenfold to fairly recognize the efforts made by the Democratic leadership to keep this issue alive. After two knockout punches from the President, who could have foreseen that round three would spell victory for the unemployed?

And this victory is a bountiful one for them. Workers in every State qualify for the extension, eligibility for retroactive benefits is judged on State unemployment levels, and for use of the adjusted insured unemployment rate, is a fairer shake for the unemployed than the unemployment measurements implemented by the Reagan-Bush administration in the early 1980's.

I am grateful for the efforts made on both sides to reach a compromise. Maryland will be a better place because of it. I am pleased that the Federal Government fully recognizes its responsibility to those disadvantaged by these recessionary times. In addition, I am glad to see that this bill's design requires no borrowing and the administration deserves some credit on that account. Let's hope that the third time is a charm and that the President stays true on his promise to uphold the compromise.

Mr. FRANKS of Connecticut. Mr. Chairman, I rise in strong support of extending unemployment benefits.

The people of my district and State have been struggling under the dark clouds of recession for almost a year.

Whether they are factory workers in Waterbury or white-collar executives in Wilton, unemployment is real and unrelenting. It strikes at the family, it cripples the pocketbook and damages the soul.

Mr. Speaker, my constituents are hard-working people. They do the best they can to raise their children, pay their taxes, and find time to help those around them.

For those out of work and still looking, unemployment compensation is a bridge to another opportunity. They have paid into this fund. In most cases they are looking for work,

but opportunities are rare and extremely competitive.

If they are not helped during this extraordinary time, they will lose their homes, lose their insurance, and worse, lose hope.

This side of the aisle has always shown its concern for the economic health of our Nation. The President is also committed to help those who are hurting.

We have never turned a blind eye to the unemployed. That important issue before us today is how do we really get our economy rolling?

Yes, this bill stops the hemorrhaging, but now is the time for curing the diseases which infect our economy.

Mr. Chairman, we must spark a fire under our economy. This Congress must begin to work on and deliver tax cutting, progrowth legislation that will propel the creation of new jobs, increased revenues, and real opportunities for all.

If we act now, those who are now pounding the pavement for jobs must know this Congress is setting the table for a hearty menu of jobs and careers.

When the next 20 weeks run out, we must have in place initiatives that remove the bureaucratic straightjacket from the backs of investors and entrepreneurs.

Some want to politicize this issue. They want to drag up tired and mean-spirited clichés instead of tackling core problems—high taxes, tight credit, and needless red tape.

I have introduced legislation that will extend several tax credit programs to small businesses to spur new companies, jobs, and hope.

Small businesses are the backbone of our Nation and our economy. If we are to grow out of this recession, small businesses must flourish without the weight of the bureaucracy and taxation.

We need a capital gains tax cut for those who are willing to take risks and build on their dreams.

There are other proposals from this side of the aisle which deserve debate and a vote. But all some people wish to do is delay action, prevent real tax cuts, and hold back the great potential of our Nation.

Mr. Chairman, let us help millions of Americans today with this legislation and begin a serious dialog to start an economic renaissance in this country.

Mr. FAZIO. Mr. Chairman, I rise in support of H.R. 3575, the Federal Supplemental Compensation Act—our third attempt to help American workers as they try to climb out of this Republican recession.

Almost 9 million Americans who want to work still cannot find jobs in this recession—nearly 2 million more than at this time last year. In Michigan, unemployment is at 9.7 percent, in Massachusetts, it is 9.2 percent, and in California—my home—it is 7.7 percent. Over 2 million Americans—the largest number since 1950—have exhausted their unemployment benefits. More than 1.6 million of those workers ran out of benefits since the beginning of the recession. Nearly 2,000 workers are still being laid off every day. And more than 1 million discouraged Americans have given up looking for jobs.

H.R. 3575 will provide up to 20 weeks of extended unemployment benefits for American

workers who have exhausted their regular benefits. Eligible workers in California, which is home to 1 out of every 7 jobless workers, will receive up to 13 weeks of extended unemployment benefits. This is much needed relief for the 37,000 jobless Californians who have exhausted their regular State unemployment benefits each month without receiving additional unemployment aid. And some American workers, depending upon their States' unemployment levels, will receive retroactive benefits.

H.R. 3575 is budget neutral. It will be financed primarily by speeding up collections from high-income taxpayers and extending the current unemployment tax rate—which is paid by employers—for 1 year.

H.R. 3575 gives the President a third chance to acknowledge our economic crisis here at home and to do the right thing for American workers. And it appears that—after vetoing our two previous bills and witnessing both another rise in the national unemployment rate and our all-night, marathon vigil here in Congress on behalf of aid to American workers—the President may have finally awakened to the emergency at hand and finally be willing to sign this bill. After leading us into economic decline, the President has now indicated that he intends to take advantage of this opportunity to begin to set things right.

American workers need those benefits. Their families are suffering. They need help with basic, everyday expenses. Today, by passing H.R. 3575, Congress will once more reach out to those middle-income workers who are slowly slipping into poverty. I urge my colleagues on both sides of the aisle to support passage of the Federal Supplemental Compensation Act, aid to American workers and their families.

Mr. HUGHES. Mr. Chairman, I rise today to join my colleagues in support of this legislation which will provide extended unemployment benefits to the 8.6 million Americans who are out of work.

Last week the American people very clearly articulated their rejection of the status quo. The incumbents and the sure bets in Tuesday's elections, both Democrat and Republican alike, were soundly defeated in several races across the country.

The American people spoke at the election polls of the need to turn around the economy, the need for attention to the issues most important to them—such as education, health care, and the ability to get a job and be a productive member of our society. Simply, Americans sent a message calling for change. A change in our national priorities that will make Americans a priority.

Americans have shared with the President the pride in the remarkable triumphs the President has had in the area of foreign affairs—the ending of the cold war, Operation Desert Storm, and the recent Mid-East peace talks held in Madrid.

The President now needs to share the concern that the American people have about domestic issues. The concern about not having a job, about trying to feed a family and pay the bills, about receiving adequate health care. I strongly urge our President to listen to the American people. The President must stop turning a deaf ear to Americans whose lives have been devastated by this recession.

We have twice before sent a bill to the President seeking relief for unemployed Americans. It is imperative that we pass this third attempt at an unemployment benefit extension since recovery is not right around the corner as evidenced by yesterday's news of an increase in wholesale prices.

I urge my colleagues to support this bill and I strongly urge the President's swift consideration and enactment of this legislation into law.

Mr. DINGELL. Mr. Chairman, I rise in strong support of H.R. 3575, which will provide an additional 20 weeks of unemployment benefits to millions of American workers and their families during this recession. I applaud the persistence of Chairman ROSTENKOWSKI and the other members of the Committee on Ways and Means who were determined to enact this measure into law despite months of White House hostility.

Both H.R. 3575 as introduced and the language of H.R. 3757, made in order by the rule as original text, would treat railroad workers equitably by providing extended unemployment benefits to them in the same manner and under the same conditions as the bill provides for other workers. The effort to include unemployed railroad workers in an unemployment benefits extension measure was undertaken at the outset, last July, by the chairman of our Subcommittee on Transportation and Hazardous Materials, Mr. SWIFT, and by my friend from Montana, Mr. WILLIAMS. They, too, have been persistent in seeking to protect these people and their families.

Because unemployment benefits for railroad workers fall under the jurisdiction of the Committee on Energy and Commerce, H.R. 3575 and H.R. 3757, were jointly referred upon introduction to our committee as well as the Committee on Ways and Means. Ways and Means has consulted with us on this matter, and we have been pleased to support their request for immediate and prompt consideration of these bills on the floor. I appreciate Chairman ROSTENKOWSKI's cooperation in this regard and congratulate him on this success.

Mr. COYNE. Mr. Chairman, I believe the compromise unemployment compensation package before the House today is long overdue. Action on this issue has been delayed for too long because of the administration's do-nothing economic policies and the inability of Congress to overcome the administration's vetoes of previous unemployment relief legislation.

For over 4 months, the administration has stonewalled efforts to provide relief for the millions of unemployed Americans who have exhausted their unemployment benefits. The only thing that has changed since August is the administration's realization that the American people have grown tired of global road shows. They want a government that looks after the needs of Americans here at home.

The administration has been quick to proclaim an end to the recession, but they cannot fool the American people who see their neighbors losing their jobs. The administration cannot hide the fact that the unemployment rate has stopped its decline and started growing again in October. The administration cannot ignore the steady stream of pink slips being issued by many of our Nations' largest employers.

The administration has finally awakened from its complacency about the continued economic troubles of our country. The President has heard the voices of Pennsylvanians and Americans everywhere who want their government to move aggressively to promote economic growth and an end to their recession. The American people want a government that takes care of our own citizens.

I have talked with workers in Pennsylvania who cannot understand why the administration refused for so long to deal with unemployment compensation reform. They know that the unemployment rate in Pennsylvania has averaged 7 percent over the past 6 months. It is no secret that nearly 30 percent of unemployment Pennsylvanians exhaust their benefits each month.

Most of all, Pennsylvanians and American workers everywhere know that the unemployment trust fund is running a surplus of over \$8 billion. This is money that U.S. workers and their employers have paid each week out of their pockets. They do not buy the administration's excuse that we cannot afford to help those who have exhausted their benefits.

This latest unemployment compensation program offers some hope for the over 2 million Americans who have exhausted their benefits. This compromise package provides up to 20 weeks of extended benefits for States hardest hit by our country's continuing economic troubles. Most States would be eligible for 6 or 13 weeks of emergency unemployment compensation.

In the Commonwealth of Pennsylvania, unemployed workers who have exhausted their benefits would receive 13 weeks of extended benefits. Pennsylvanians and those in other States experiencing the highest national rates of unemployment would also benefit from reach-back provisions for those who exhausted their benefits earlier this year. These reach-back provisions would allow those who lost their unemployment compensation benefits since March 1, 1991, to claim compensation for those months.

Congress has removed the administration's excuse that this unemployment compensation relief would bust the budget by providing a compromise funding plan. This plan includes extended debt collection by the Internal Revenue Service, continuation of existing unemployment tax rates, savings from new rules for the operation of Federal student loan programs, and changes in the payment of estimated taxes by high income taxpayers.

Mr. Chairman, I believe this agreement provides the bare minimum for those who have lost their unemployment benefits and those who are at risk of losing those benefits. We need to have the President sign this bill into law as soon as possible. The time for excuses and stonewalling is over.

Mr. STOKES. Mr. Chairman, I rise today to express my support of H.R. 3575, the Federal Supplemental Compensation Act, which will provide up to 20 weeks of supplemental unemployment benefits for workers who have exhausted their regular benefits. I hope that all my colleagues will support this essential legislation to provide extended benefits to the millions of American workers who have exhausted or will exhaust their unemployment benefits this year.

While I am extremely disappointed that we are revisiting this issue for the third time this year, I am glad to see that President Bush has finally heard the cries of the American people in their suffering, and will let extended unemployment benefits go to the millions of individuals who have lost their jobs. This revelation on the part of the President that the recession is real, and Americans need assistance and compassion from their government, is ample enough reason for all of us to give thanks as we approach this holiday season.

I commend my colleagues for their leadership and tenacity in reaching an agreement with the President to extend unemployment benefits. I sincerely wish, however, that the President had extended the benefits last summer, when Congress first enacted an unemployment reform bill. The President could have prevented 3 additional months of suffering for our long-term unemployed, and demonstrated the concern for the American people that we expect from our President, by declaring a budget emergency in August, thereby providing these desperately needed benefits to millions of Americans who are out of work.

Mr. Chairman, President Bush's promise to sign an unemployment reform bill now rings hollow, and the American people will not be fooled into believing that the President came to this agreement voluntarily. Nevertheless, despite the motivation behind the President's sudden willingness to sign an extended benefits bill, I urge all my colleagues, on behalf of the thousands of Ohioans who have exhausted their benefits, to support this bill, and show the American people that we in Congress are committed to addressing the economic problems facing our Nation.

Mr. GRADISON. Mr. Chairman, H.R. 3575, as amended, is far from being a perfect bill. I have serious problems with the estimated tax financing provision. I fear that this provision will cause significant hardship and needless complexity for many taxpayers, especially small investors, retirees, owners of family businesses, and people who must sell off assets to meet family emergencies. Because of the horrible tax policy contained in the bill, I voted against it in committee.

However, the bill represents a compromise to extend benefits to those in need, and, in spite of its technical problems, I will vote for it. It is fully financed according to the Office of Management and Budget, and does not violate the budget agreement.

Workers in Ohio who exhaust their benefits after November 17, will be eligible to receive an additional 6 weeks of unemployment compensation on top of the 26 weeks already paid. I hope that this legislation will ease at least a little of their suffering.

Mr. GUNDERSON. Mr. Chairman, I intend to support the compromise worked out on legislation to extend unemployment benefits. However, I must make it clear that I am concerned about how well this legislation covers those unemployed in Wisconsin.

The bill passed in August would have provided benefits to 63,000 State residents. That bill was vetoed because Congress refused to pay for the extended benefits. The cost of the bill would have added \$5.6 billion to the Federal deficit.

The bill proposed by Mr. MICHEL, the Republican leader, following the veto would have

provided benefits to between 48,000–60,000 State residents. That legislation, which included a financing mechanism, was blocked by the Democratic leadership in Congress.

The bill we will now pass will assist just 35,000–50,000 unemployed residents. The good news is, after weeks of playing partisan political games with this issue, Democratic leaders have agreed to work with the President to pass a bill that can be signed. The bad news is, fewer unemployed residents in Wisconsin will be helped.

I have supported each successive bill because, in a declining economy, laid off workers need help. This is especially true of workers at the Uniroyal plant in Eau Claire, where 1,400 workers face layoff. Half of those workers have already been laid off. This bill will cover those laid off after May 19, 1991. Fortunately, the largest plant layoffs began on May 31, assuring employees still unemployed will receive an additional 6 weeks of unemployment benefits.

I have also supported each bill because of the changes to current law to assist military personnel now unemployed. Each bill has retained the reduction of required active duty service for unemployment benefits from 180 days to 90 days. And each reduced the waiting period for discharged military personnel seeking benefits from 4 weeks to 1 week. For those returning from the Persian Gulf war to a shrinking American economy, easing standards they must meet for unemployment benefits is only fair.

Congress must now turn attention to stimulating an economic recovery. Extending benefits to unemployed Americans is an important first step to helping those in need. But, Congress will have done its job on this front properly only after it takes aggressive action to put Americans back to work. Passage of the legislation we are considering today will allow Congress to begin that effort.

Mr. GREEN of New York. Mr. Chairman, I rise in strong support of H.R. 3575, legislation to extend unemployment benefits and provide economic relief for our Nation's unemployed. Today, there are almost a quarter of a million unemployed in New York State and over 3 million jobless Americans nationwide whose unemployment benefits have expired. The bill before us is a lifeline to these desperate people. Moreover, unlike previous proposals, it provides extended benefits without busting the 1990 budget enforcement agreement—our only source of fiscal discipline.

Finally, after 4 months of political posturing, the impasse over extending unemployment benefits has been broken. The bill under consideration provides an additional 13 weeks of benefits for jobless New Yorkers whose regular benefits expired after February 28, 1991. The \$5.3 billion legislative proposal is budget-neutral and therefore will not add to our \$260 billion, and growing, Federal budget deficit. The self-financing proposal extends the current rate of unemployment tax on employers for one additional year, accelerates tax collections on certain high-income taxpayers, and makes a variety of changes to prevent defaults on guaranteed student loans.

For more than 50 years, the unemployment insurance system has been a significant component of the American economy. Not only

does it deal with the personal tragedy that afflicts a family when a wage earner becomes unemployed, but the system has also provided an important countercyclical effort to try and shorten and ease recessions and get us back on the track toward economic recovery.

However, over the past 15 years, there has been a significant erosion in the unemployment insurance system. A tremendous disparity has emerged between the percentage of insured unemployment as compared with total unemployment—1990 marked the seventh straight year that unemployment insurance coverage dropped below 40 percent nationally. As you can see, there is something desperately wrong with a system that protects only one-third of all temporarily unemployed workers.

With ample evidence that the current unemployment insurance system has been unresponsive to the needs of our Nation's jobless, I testified before the House Rules Committee last July in support of extending unemployment benefits. I requested that the Rules Committee permit the House to vote on a comprehensive unemployment reform bill that addressed the long-term problems plaguing the unemployment insurance program, while preserving our deficit-reduction law.

In closing, I am pleased that the House has been given an opportunity to vote on an extended benefits bill that helps jobless Americans without busting the budget. H.R. 3575 is a compassionate and responsible approach to helping our Nation's unemployed. It will help remedy the despair that is confronting unemployed Americans who have been unable to find a new job under current economic conditions as well as help get our sluggish economy moving again. I encourage my colleagues to vote in support of extending unemployment benefits. Vote "yes" on H.R. 3575.

Mr. GEJDENSON. Mr. Chairman, I would like to take this opportunity to express my support for the Unemployment Insurance Reform Act [H.R. 3575].

Mr. Chairman, unemployment benefits should have been extended 4 months ago. Congress overwhelmingly adopted good unemployment legislation on two other occasions. Each time, however, the President decided that the needs of American workers did not matter. Once he did so by not declaring a budgetary emergency which would have triggered the extension of benefits, and then second by vetoing the bill.

Finally, the administration has seen the light and decided it needs to do something to help our Nation's workers. This relief is long overdue. The unemployment rate rose again in October to 6.8 percent. Over 8.58 million American workers are out of work and another 3 million have exhausted their benefits.

Unlike the administration, I've known for quite a while that additional benefits are needed. There have been some strong indicators back in my home State of Connecticut that our Nation's workers desperately need help to survive. It was obvious to me when 55 people applied for a part-time dishwasher position at the Cypress Restaurant in Middletown, CT. In past years, the owner of the Cypress has had trouble finding anyone who wanted the job, now he doesn't know what to do with all the applicants.

The bill we are voting on today gives hard-working people the chance they deserve to escape the pain of the recession. With the adoption of this bill, workers in Connecticut will be eligible for an additional 20 weeks of benefits. It will give them the ability to make their mortgage payments for a few more months, finance their children's education for one more semester, and pay for heat during the harsh winter months.

Mr. Chairman, now that we have convinced the President that the American workers matter, maybe we can also convince him to support diversification efforts to help the defense workers in eastern Connecticut find the business opportunities they need to survive.

Ms. SNOWE. Mr. Chairman, I rise to express my support for H.R. 3575. It is high time—actually, it was high time months ago—we reached an agreement to provide additional assistance for the 8.6 million unemployed in this country.

Over 42,700 people in my State of Maine were without jobs in September. The need for this bill is best summed up by a constituent of mine who recently wrote "Last December, I was laid off from my full-time job as a carpenter for a building contractor \* \* \*. Since then, I've applied for more than 40 jobs without success."

Here is a skilled individual who has been looking for work for almost a year and he has been turned down by 40 potential employers. His situation is similar to the stories I have heard over and over again from people across my State.

These stories illustrate why I strongly supported the two other measures on unemployment brought before us because the people of my district are not sitting home quietly collecting unemployment, they are out pounding the pavement looking for jobs that do not exist. The least we can do is provide them with a few more weeks of assistance to help them out in these tough times.

H.R. 3575 would allow individuals in Maine to receive up to a total of 20 weeks of extended benefits. Those who received the full 13 weeks of benefits provided under the old extended benefits program earlier this year will be eligible for an additional 7 weeks; those who did not receive any extended benefits will be eligible for the full 20.

This bill shows what can happen when both sides of the aisle work together, and I am pleased that an agreement was reached on the funding mechanism. I hope the bipartisanship which finally found its way into this bill will carry over as we work on finding the solutions to the many pressing issues which face this country.

Mr. POSHARD. Mr. Chairman, I rise in strong support of H.R. 3575, to provide extended benefits to long-term unemployed workers.

I have been a strong supporter of this effort, long before opponents of the bill suddenly realized we are fighting a recession. In my State it means 13 weeks of benefits for thousands of workers, a few weeks more or less for other States depending on their situation. We need this bill.

Every week I visit with people in my southern Illinois district who are out of work. They tell me of hanging on by a thread, paying their

bills as best they can, living on bare essentials, and enduring real personal pain. I find it hard to believe it has taken this long for some people to open their hearts to their plight. I am glad we are finally taking action.

Mr. Chairman, those who would oppose this bill have really lost sight of what's important. We cannot afford to let families be crushed by this recession. We are talking about keeping working men and women afloat long enough for them to find jobs, and believe me, I wish them luck, because the job market today is very tough.

I am proud to say that I stand by the working men and women of this country, who are valiantly striving to provide for their families in times of great distress. This bill is a modest first step to remedy their situation, and I am pleased to offer my support.

Mr. BORSKI. Mr. Chairman, I rise in support of H.R. 3575, the Federal Supplemental Compensation Act, and call for its immediate passage. We cannot let Americans in need of financial assistance wait a moment longer for relief.

Since this summer we have fought for extended benefits for the unemployed and have continuously been struck down by the White House.

This compromise plan answers all the concerns of those who questioned where money will come from to finance extended benefits, but most importantly, it tells the American people that Congress has heard their pleas for help and hasn't turned away from their cries for relief.

It has been painful to head back to my district in Philadelphia, look straight in the eyes of many of the people who elected me to this office, and tell them that despite my efforts, our President has turned his back on them.

We are talking about hard-working Americans, many of whom have been employed for 10 or 20 years with the same company.

They didn't ask to be phased out or laid off from the jobs they held for years. They didn't ask for the economic condition in our country that warranted a change in their job stature.

What they did ask for was financial help from Congress enabling them to get back up on their feet.

Congress listened.

The White House shut the window.

But that window opened wide on election day and the American people shouted a message finally heard by the President: Make domestic issues a top priority.

I'm pleased that message has finally been heard and thrilled this compromise plan has finally been worked out.

Pennsylvania's unemployment problem is serious and while I'm disappointed unemployed workers from my State will only be eligible for 13 weeks of benefits under this plan, 13 weeks is certainly a big help.

As we approach the holiday season let us approve this bill and give America's unemployed worker a gift they deserve: Proof, in their pockets, that Congress will help them in their time of financial need.

Mr. MOODY. Mr. Chairman, finally, the President has agreed that the unemployed of America rate his attention. Unfortunately, only some do—over 30,000 Wisconsin workers that have exhausted their unemployment benefits

so far this year will not get 1 cent because this bill does not reach back to them. This is a serious flaw.

Later today we will vote, at the President's request, to open the Treasury to provide tens of billions of dollars to bail out this Nation's biggest banks. We have sent hundreds of millions of dollars to address emergencies overseas.

Yet when it comes to the unemployed, Bush is stingy—fighting with Congress every step of the way to limit benefits as much as possible. These working families may be losing their homes, their cars, they may be forced to take their children out of school, but the President is telling them they are not worth the same type of consideration that an Iraqi Kurd is.

Mr. Bush has made his priorities clear—and working families don't make the list.

He supports this bill only because he has read the political tea leaves and decided he better make some gesture to real Americans, Americans who live by the sweat of their brow, not just the clip of their coupon.

I will support this bill because it is better than nothing. But the message the administration has sent is that they would have preferred nothing, and for too many families in my State, that's exactly what they will get.

Mr. ATKINS. Mr. Chairman, I recently received a letter from a singleparent employee of Raytheon's Patriot missile plant in Andover, MA, who desperately wants me to urge the President to pay some attention to the recession and to sign an unemployment bill.

When the President visited the Patriot plant last October, he expressed his pride in these same workers as the Persian Gulf war raged on and the Patriot missile shielded our troops and our allies.

But now that they face unemployment, the President turns his back.

This constituent writes, "Some of our unemployed in Massachusetts are those who helped supply the Patriot systems for our soldiers in the gulf."

After years on the job, this woman is afraid that she will be next to go in another round of layoffs and worries about how she will care for her children.

Mr. Speaker, the economy all over America is rotten and in New England the situation is even worse.

I have sent a copy of this letter to the President as a reminder that there are proud but desperate people here at home.

The original bill we passed extending unemployment benefits was cynically signed by the President under the knowledge that the bill's financing plan allowed his signature to be merely symbolic.

Then, when we in Congress designated the measure as the spending emergency it truly is, the President vetoed the bill because he believed it was a budget-buster and because he incorrectly viewed the recession as ending.

When this happened, more than one constituent asked me why last year's 7-billion-dollar Egyptian debt relief was not considered a budget buster.

Just before the President left Washington for Italy last week, he was shocked by the Senate race in Pennsylvania into paying at least some lip service to the problems here.

But even while he admits that "people are hurting," the President seems to believe that there isn't a recession here in America.

I have even heard some of the administration's supporters claim that the recession is not a recession, but rather a euphemistic "slow-down in the recovery."

Mr. Chairman, I am thankful that we've finally reached a compromise on the unemployment bill.

But my constituents needed relief many months ago, and they are sick and tired of the political games President George Bush, Richard Darman, and Governor Sununu are playing with their lives.

I hope the administration will finally end its massive denial regarding the state of the economy.

I hope the President will finally heed the pleas of hard-working Americans here at home and will sign this unemployment bill.

Mr. EWING. Mr. Chairman, I rise in strong support of the compromise legislation providing temporary extended unemployment benefits to those who have already exhausted their benefits.

I have long felt that such an extension was needed to help get thousands of American families through the recession. In the last several months we have faced a steadily increasing rate of unemployment throughout the country. In my own State of Illinois the unemployment rate increased dramatically during the month of October, climbing from 7.1 percent to 7.7 percent. During October, the number of jobless grew by 35,000 to 461,000 in Illinois alone. With more people joining the unemployment lines and no turnaround in the economy likely in the immediate future, the need for these benefits becomes painfully clearer every day.

I want to praise the Republican leader, BOB MICHEL, and the Bush administration for their strong leadership in working with Chairman ROSTENKOWSKI to craft this mutually acceptable, bipartisan legislation. As a result of their steadfast efforts, we have before us a package which will provide up to 20 weeks of extended benefits for some 3 million Americans without violating the principles of the budget agreement, without increasing the already bloated Federal deficit, and without imposing new taxes. Because of their efforts, extended benefits checks will be in the hands of the long-term unemployed before Thanksgiving.

From the beginning, the fiscally irresponsible Democratic leadership in Congress have opted to increase the deficit or raise taxes to pay for this package. In typical Democratic fashion, it never crossed the minds of the big spenders that this program could be financed without making our grandchildren pay for it or increasing the already overwhelming burden on American taxpayers.

From the very beginning the Democrats in Congress have sought to make this a political issue rather than helping the unemployed. Well, I say that the unemployed need benefits more than they need cute speeches on the evening news. But for the past 2 months that's all they have heard from Congress. Instead of sitting down at the table with Republicans to craft a package like the one we have before us today, until 2 weeks ago the Democrats have opted to support packages which they knew could never be passed. They would rather create campaign issues than really helping the unemployed.

Again, I rise in strong support of H.R. 3575 and urge my colleagues to support it. Let us get the checks in the mail.

Mr. SCHEUER. Mr. Chairman, I rise in strong support of the legislation before us today, H.R. 3575, because it is a measure that will finally begin easing the plight facing millions of our Nation's currently unemployed.

In the summer and September, this Congress—alarmed by the depth of the current recession—twice passed legislation to provide extended unemployment benefits for long-term unemployed workers. But on both occasions, President Bush blocked our bid to aid the unemployed because he did not consider their plight enough of an emergency.

Now, with economic indicators showing the phantom recovery fading into recession, the President has finally relented. Now, after HARRIS WOFFORD'S upset victory in Pennsylvania, President Bush has finally gotten the message: People are hurting all over, and it is an emergency.

Simply put, in a recession, it becomes harder to find work. Around our Nation, the rate of unemployment is approaching 7 percent, and in New York, it has risen above 9 percent. By passing this legislation, we acknowledge that times are hard, that finding work is difficult, and that many Americans desperately need help.

Mr. Chairman, I am very pleased that this bill is supported by the administration—because that means we can stop playing politics and get benefits to the people who need them the most.

Ms. NORTON. Mr. Chairman, since the Congress first sent an unemployment bill to the President in August, not much has changed. The national unemployment rate is still 6.8 percent. The unemployment rate in the Nation's Capital is still 8 percent. The unemployed are still flooding our offices with phone calls and letters. People are still desperately seeking jobs. They are still struggling to make their housing payments. Mr. Chairman, people are still in pain. And the beat goes on.

This time around, though, the months are growing colder and Americans are more desperate. If this Congress and this administration have heard the people they represent, now is the time to show it.

In the past year, the number of jobs in the District of Columbia has decreased by 7,600. The construction and trade industries have been particularly hard hit and account for the loss of 4,500 jobs. Since January of this year, there have been 36,186 initial claims for unemployment in the District. This bill will provide relief for those whose benefits have been exhausted. The District will qualify for an additional 13 weeks of unemployment benefits. At this time of year, these benefits are especially needed.

The neglect of the domestic economy has brought about the need for an extension of unemployment benefits. The victims should not bear the burden alone. The recession will not end tomorrow. But some of the suffering can. This bill would provide a real Thanksgiving for millions whose only plea to us is for the opportunity to work. And the beat goes on.

Mr. OLVER. Mr. Chairman. At long last, we have come to an agreement with the President to help the out of work families—not a moment too soon.

In fact, given the cosmetic changes from the original bill, and the 8,000 plus in my district and the 3 million people all across this country, who have exhausted their benefits, this should have been done 4 months ago.

It should have happened this summer, but I am grateful that they do not have to wait another day.

Take a man from my hometown in Amherst. Last month, I received a letter in which he wrote: I'm a 40-year-old college grad and computer pro living in Massachusetts. I am about to lose everything I have worked for in 25 years. I have been unemployed for over 20 weeks. Extend the unemployment benefits for additional 20 weeks.

Some constituents from Greenfield Tap and Die sent me a copy of a letter to President Bush in which they wrote:

We do not plan to be unemployed, but we must be realistic and face the future. Giving corporations more tax breaks will not help us. Unemployment in our region is higher than most parts of the United States. Many factories have shut down and there are no jobs to move to.

For the 8.5 million Americans out of work; for the 40,000 working families in my western Massachusetts district who are out of a job; for the 40-year old college grad in Amherst and the machinists in Greenfield, let's finish this business today.

I for one am glad that the President has stopped playing politics and got back to the business of helping the people of this Nation.

Mr. WEISS. Mr. Chairman, I rise in support of H.R. 3575, the long overdue extension of unemployment benefits.

This past summer we in Congress gathered to enact legislation to assist those Americans suffering from the worsening recession. Now, more than 3 months later, those Americans, and millions more, are still waiting for help from their Government.

Mr. President, and my colleagues across the aisle, have accused us of being out of touch with Americans, yet, it has taken them 3 months to see the necessity of what we do here today. In August, with the highest unemployment rate in 5 years, the President said there was no emergency and prevented those Americans whose unemployment benefits had expired from receiving assistance. In October, with more than 8.5 million Americans out of work, the President refused to recognize the tremendous pain the recession was causing, and slammed the door in the face of those suffering Americans, and vetoed the extended unemployment benefits bill. Now, even the President can not miss the severity of the recession the country is in. Finally, he has indicated he will not oppose this legislation. Very good Mr. President, but you are 3 months behind the times.

While the American worker has waited for the Government to provide needed assistance, the recession's grip on the Nation has grown tighter. This is a deep recession. The President's remedy of denying it, urging greater confidence, lowering interest rates, and extensive foreign travel has done nothing but let the recession drag on and worsen. With an unemployment rate of 6.8 percent, an increase of 0.7 percent in the wholesale price index in October, and the recently reported decline of

leading economic indicators for the month of September—the first such decline this year—evidence of the weakness of the Nation's economy surrounds us.

More than 8.5 million Americans are out of work, more than 2 million have seen their unemployment benefits expire, and most shockingly, the recent revelation that 1 in 10 Americans receive food stamps. That 10 percent of the population of the richest country in the world must turn to the Government for assistance simply to feed themselves and their families is a clear indication that something is seriously wrong with the Nation's economy; and it is a national disgrace. The President has said he will sign this bill; congratulations Mr. President, but you should have done it 3 months ago. People are suffering greatly in our country, let us help Americans to get back on their feet. I urge my colleagues to support H.R. 3575.

Ms. LONG. Mr. Chairman, I reluctantly rise in opposition to H.R. 3575, the Federal Supplemental Compensation Act. I understand the need to extend unemployment compensation to millions of Americans who have exhausted their benefits and I appreciate the hard work of my colleagues in forging this bill. However, this legislation, in my view, takes a misdirected approach.

The financing provision of H.R. 3575 would increase taxes on employers, by extending the current unemployment tax rate for an additional year.

I am also concerned that Indiana is 1 of 19 States which does not qualify for reachback benefits. The reachback benefits would provide extended unemployment benefits to those individuals who exhausted their regular benefits between March and the date of enactment. Those individuals in my State who most desperately need benefits, who may have exhausted their regular benefits last March, do not receive relief. I cannot support such a bill which does not help those individuals who have been hardest hit by this recession.

Employers have paid over \$8 billion into the Unemployment Insurance Trust Fund for the purpose of providing extended benefits. We need to use the money in the trust fund to provide benefits, not to hide the true size of the budget deficit. I cannot support H.R. 3575, which increases taxes and fails to provide assistance to those unemployed individuals who most need assistance.

Mr. MATSUI. Mr. Speaker, today we have the opportunity to finally send on to our citizens extended unemployment insurance benefits. It has taken three attempts, but at last we can do something to assist the 8.6 million Americans who are out of work and unable to find a job. While the President has refused to acknowledge that we are in a recession, millions of unemployed American workers know otherwise.

In California the unemployment rate in October was 7.8 percent. California's unemployment rate has been above 7 percent for much of 1991. During the first 5 months of this year alone, some 347,000 unemployed Californians reached the end of their benefits. Some 37,000 Californians exhaust their State unemployment insurance benefits each month.

This legislation would provide real relief to the millions of Californians and millions of

other Americans who are without jobs or regular income. California, like many other States that have passed the 7-percent unemployment rate, is unable to secure extended benefits for its citizens.

The current unemployment insurance system is ill-equipped to serve the numbers of people needing continued benefits. Cuts made during the 1980's have decimated the extended benefits program, rendering it unable to meet the needs of the long-term unemployed. Congress must act to extend these benefits to the millions of unemployed Americans who have exhausted their regular unemployment benefits.

The United States is a country made up of people who are proud to work. We all should take great offense at those who would suggest that these unemployed Americans are lazy or do not try hard enough to find employment. It is high time the President acknowledge that we are in fact in the midst of a recession and sign this critical legislation to provide needed assistance to millions of Americans. We must provide an adequate safety net in times such as these to protect American workers who have fallen on hard times. I urge my colleagues to vote for this legislation.

The CHAIRMAN. Pursuant to the rule, the amendment in the nature of a substitute consisting of the text of the bill, H.R. 3575, is considered as an original bill for the purpose of amendment and is considered as read.

The text of the amendment in the nature of a substitute is as follows:

#### H.R. 3575

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,*

#### SECTION 1. SHORT TITLE.

This Act may be cited as the "Emergency Unemployment Compensation Act of 1991".

#### TITLE I—EMERGENCY UNEMPLOYMENT COMPENSATION PROGRAM

##### SEC. 101. FEDERAL-STATE AGREEMENTS.

(a) IN GENERAL.—Any State which desires to do so may enter into and participate in an agreement under this Act with the Secretary of Labor (hereafter in this Act referred to as the "Secretary"). Any State which is a party to an agreement under this Act may, upon providing 30 days written notice to the Secretary, terminate such agreement.

(b) PROVISIONS OF AGREEMENT.—Any agreement under subsection (a) shall provide that the State agency of the State will make payments of emergency unemployment compensation—

(1) to individuals who—

(A) have exhausted all rights to regular compensation under the State law,

(B) have no rights to compensation (including both regular compensation and extended compensation) with respect to a week under such law or any other State unemployment compensation law or to compensation under any other Federal law (and are not paid or entitled to be paid any additional compensation under any State or Federal law), and

(C) are not receiving compensation with respect to such week under the unemployment compensation law of Canada, and

(2) for any week of unemployment which begins in the individual's period of eligibility (as defined in section 106(a)(2)).

(c) EXHAUSTION OF BENEFITS.—For purposes of subsection (b)(1)(A), an individual shall be deemed to have exhausted such individual's

rights to regular compensation under a State law when—

(1) no payments of regular compensation can be made under such law because such individual has received all regular compensation available to such individual based on employment or wages during such individual's base period, or

(2) such individual's rights to such compensation have been terminated by reason of the expiration of the benefit year with respect to which such rights existed.

(d) WEEKLY BENEFIT AMOUNT.—For purposes of any agreement under this Act—

(1) the amount of emergency unemployment compensation which shall be payable to any individual for any week of total unemployment shall be equal to the amount of the regular compensation (including dependents' allowances) payable to such individual during such individual's benefit year under the State law for a week of total unemployment,

(2) the terms and conditions of the State law which apply to claims for extended compensation and to the payment thereof shall apply to claims for emergency unemployment compensation and the payment thereof, except where inconsistent with the provisions of this Act or with the regulations or operating instructions of the Secretary promulgated to carry out this Act, and

(3) the maximum amount of emergency unemployment compensation payable to any individual for whom an account is established under section 102 shall not exceed the amount established in such account for such individual.

(e) ELECTION.—Notwithstanding any other provision of Federal law (and if State law permits), the Governor of a State in a 20-week period or a 13-week period, as defined in section 102, is authorized to and may elect to trigger off an extended compensation period in order to provide payment of emergency unemployment compensation to individuals who have exhausted their rights to regular compensation under State law.

#### SEC. 102. EMERGENCY UNEMPLOYMENT COMPENSATION ACCOUNT.

(a) IN GENERAL.—Any agreement under this Act shall provide that the State will establish, for each eligible individual who files an application for emergency unemployment compensation, an emergency unemployment compensation account with respect to such individual's benefit year.

(b) AMOUNT IN ACCOUNT.—

(1) IN GENERAL.—The amount established in an account under subsection (a) shall be equal to the lesser of—

(A) 100 percent of the total amount of regular compensation (including dependents' allowances) payable to the individual with respect to the benefit year (as determined under the State law) on the basis of which the individual most recently received regular compensation, or

(B) the applicable limit times the individual's average weekly benefit amount for the benefit year.

(2) APPLICABLE LIMIT.—For purposes of this section—

(A) IN GENERAL.—Except as otherwise provided in this paragraph—

(i) In the case of weeks beginning during a 20-week period, the applicable limit is 20.

(ii) In the case of weeks beginning during a 13-week period, the applicable limit is 13.

(iii) In the case of weeks not beginning in a 20-week period or 13-week period, the applicable limit is 6.

(B) APPLICABLE LIMIT NOT REDUCED.—An individual's applicable limit for any week shall

in no event be less than the highest applicable limit in effect for any prior week for which emergency unemployment compensation was payable to the individual from the account involved.

(C) INCREASE IN APPLICABLE LIMIT.—If the applicable limit in effect for any week is higher than the applicable limit for any prior week, the applicable limit shall be the higher applicable limit, reduced (but not below zero) by the number of prior weeks for which emergency unemployment compensation was paid to the individual from the account involved.

(3) REDUCTION FOR EXTENDED BENEFITS.—The amount in an account under paragraph (1) shall be reduced (but not below zero) by the aggregate amount of extended compensation (if any) received by such individual relating to the same benefit year under the Federal-State Extended Unemployment Compensation Act of 1970.

(4) WEEKLY BENEFIT AMOUNT.—For purposes of this subsection, an individual's weekly benefit amount for any week is the amount of regular compensation (including dependents' allowances) under the State law payable to such individual for such week for total unemployment.

(c) 20-WEEK PERIOD.—For purposes of this section—

(1) IN GENERAL.—The term "20-week period" means, with respect to any State, the period which—

(A) begins with the third week after the first week for which the requirements of paragraph (2) are satisfied, and

(B) ends with the third week after the first week for which the requirements of paragraph (2) are not satisfied.

(2) REQUIREMENTS.—For purposes of paragraph (1), the requirements of this paragraph are satisfied for any week if—

(A) the adjusted rate of insured unemployment in the State for the period consisting of such week and the immediately preceding 12 weeks is at least 5 percent, or

(B) the average rate of total unemployment in such State for the period consisting of the most recent 6-calendar month period (for which data are published before the close of such week) is at least 9 percent.

(d) 13-WEEK PERIOD.—For purposes of this section—

(1) IN GENERAL.—The term "13-week period" means, with respect to any State, the period which—

(A) begins with the third week after the first week for which the requirements of paragraph (2) are satisfied, and

(B) ends with the third week after the first week for which the requirements of paragraph (2) are not satisfied.

(2) REQUIREMENTS.—For purposes of paragraph (1), the requirements of this paragraph are satisfied for any week—

(A) if the adjusted rate of insured unemployment in the State for the period consisting of such week and the immediately preceding 12 weeks is at least 4 percent, or

(B) if—

(i) the adjusted rate of insured unemployment in the State for the period consisting of such week and the immediately preceding 12 weeks is at least 2.5 percent, and

(ii) the exhaustion rate in the State for the most recent month for which data are available before the close of such week is at least 29 percent.

(e) SPECIAL RULES.—

(1) COORDINATION BETWEEN PERIODS.—A 13-week period shall not be in effect for any week if a 20-week period is in effect for such week.

(2) SPECIAL RULES FOR DETERMINING PERIODS.—

(A) MINIMUM PERIOD.—Except as provided in subparagraph (B), a 20-week period or 13-week period shall last for not less than 13 weeks.

(B) EXCEPTION.—If, but for subparagraph (A), a 20-week period would be in effect for a State, such period shall take effect without regard to subparagraph (A).

(3) NOTIFICATION BY SECRETARY.—When a determination has been made that a 20-week period or 13-week period is beginning or ending with respect to a State, the Secretary shall cause notice of such determination to be published in the Federal Register.

(f) EFFECTIVE DATE.—

(1) IN GENERAL.—Except as provided in paragraphs (2) and (3), no emergency unemployment compensation shall be payable to any individual under this Act for any week—

(A) beginning before the later of—

(i) November 17, 1991, or

(ii) the first week following the week in which an agreement under this Act is entered into, or

(B) beginning after July 4, 1992.

(2) TRANSITION.—In the case of an individual who is receiving emergency unemployment compensation for a week which includes July 4, 1992, such compensation shall continue to be payable to such individual in accordance with subsection (b) for any week beginning in a period of consecutive weeks for each of which the individual meets the eligibility requirements of this Act.

(3) REACHBACK PROVISIONS.—

(A) IN GENERAL.—If—

(i) any individual exhausted such individual's rights to regular compensation (or extended compensation) under the State law after February 28, 1991, and before the first week following November 16, 1991 (or, if later, the first week following the week in which the agreement under this Act is entered into), and

(ii) (I) the adjusted rate of insured unemployment (determined on the basis of the information referred to in subsection (g)(2)) in such State for the 13-week period ending on October 19, 1991, is at least 3 percent, or (II) a 20-week period or 13-week period is in effect in such State for the 1st week for which emergency unemployment compensation may be payable in such State under this title,

such individual shall be entitled to emergency unemployment compensation under this Act in the same manner as if such individual's benefit year ended no earlier than the last day of such following week.

(B) LIMITATION OF BENEFITS.—In the case of an individual who has exhausted such individual's rights to both regular and extended compensation, any emergency unemployment compensation payable under subparagraph (A) shall be reduced in accordance with subsection (b)(3).

(g) TRANSITIONAL RULES.—

(1) IN GENERAL.—For purposes of determining whether a 20-week period or 13-week period is in effect with respect to any State for the 1st week for which emergency unemployment compensation may be payable under this title in such State, this Act shall be treated as having been in effect for all weeks ending on or after October 19, 1991.

(2) SPECIAL RULES.—A 20-week period or 13-week period shall begin in any State with the 1st week for which emergency unemployment compensation may be payable in such State under this title if, on the basis of information submitted to the Committee on Ways and Means of the House of Representa-

tives by the Department of Labor on November 7, 1991, the requirements of subsection (c)(2) or (d)(2), as the case may be, are satisfied by such State for the week which ends on October 19, 1991. For purposes of the preceding sentence, the exhaustion rate shall be determined on the basis of (A) the monthly average number of individual exhausting their rights to regular compensation during the 8-month period ending with September of 1991, and (B) the monthly average number of individuals filing initial claims for regular compensation during the 8-month period ending with March of 1991.

#### SEC. 103. PAYMENTS TO STATES HAVING AGREEMENTS FOR THE PAYMENT OF EMERGENCY UNEMPLOYMENT COMPENSATION.

(a) GENERAL RULE.—There shall be paid to each State which has entered into an agreement under this Act an amount equal to 100 percent of the emergency unemployment compensation paid to individuals by the State pursuant to such agreement.

(b) TREATMENT OF REIMBURSABLE COMPENSATION.—No payment shall be made to any State under this section in respect of any compensation to the extent the State is entitled to reimbursement in respect of such compensation under the provisions of any Federal law other than this Act or chapter 85 of title 5, United States Code. A State shall not be entitled to any reimbursement under such chapter 85 in respect of any compensation to the extent the State is entitled to reimbursement under this Act in respect of such compensation.

(c) DETERMINATION OF AMOUNT.—Sums payable to any State by reason of such State having an agreement under this Act shall be payable, either in advance or by way of reimbursement (as may be determined by the Secretary), in such amounts as the Secretary estimates the State will be entitled to receive under this Act for each calendar month, reduced or increased, as the case may be, by any amount by which the Secretary finds that the Secretary's estimates for any prior calendar month were greater or less than the amounts which should have been paid to the State. Such estimates may be made on the basis of such statistical, sampling, or other method as may be agreed upon by the Secretary and the State agency of the State involved.

#### SEC. 104. FINANCING PROVISIONS.

(a) IN GENERAL.—Funds in the extended unemployment compensation account (as established by section 905 of the Social Security Act) of the Unemployment Trust Fund shall be used for the making of payments to States having agreements entered into under this Act.

(b) CERTIFICATION.—The Secretary shall from time to time certify to the Secretary of the Treasury for payment to each State the sums payable to such State under this Act. The Secretary of the Treasury, prior to audit or settlement by the General Accounting Office, shall make payments to the State in accordance with such certification, by transfers from the extended unemployment compensation account (as established by section 905 of the Social Security Act) to the account of such State in the Unemployment Trust Fund.

(c) ASSISTANCE TO STATES.—There are hereby authorized to be appropriated, without fiscal year limitation, such funds as may be necessary for purposes of assisting States (as provided in title III of the Social Security Act) in meeting the costs of administration of agreements under this Act.

(d) AUTHORIZATION OF APPROPRIATIONS FOR CERTAIN PAYMENTS.—There are authorized to

be appropriated from the general fund of the Treasury, without fiscal year limitation, to the extended unemployment compensation account (as established by section 905 of the Social Security Act) such sums as may be necessary to make the payments under this section in respect of—

(1) compensation payable under chapter 85 of title 5, United States Code, and

(2) compensation payable on the basis of services to which section 3309(a)(1) of the Internal Revenue Code of 1986 applies.

Amounts appropriated pursuant to the preceding sentence shall not be required to be repaid.

#### SEC. 105. FRAUD AND OVERPAYMENTS.

(a) IN GENERAL.—If an individual knowingly has made, or caused to be made by another, a false statement or representation of a material fact, or knowingly has failed, or caused another to fail, to disclose a material fact, and as a result of such false statement or representation or of such nondisclosure such individual has received an amount of emergency unemployment compensation under this Act to which he was not entitled, such individual—

(1) shall be ineligible for further emergency unemployment compensation under this Act in accordance with the provisions of the applicable State unemployment compensation law relating to fraud in connection with a claim for unemployment compensation, and

(2) shall be subject to prosecution under section 1001 of title 18, United States Code.

(b) REPAYMENT.—In the case of individuals who have received amounts of emergency unemployment compensation under this Act to which they were not entitled, the State shall require such individuals to repay the amounts of such emergency unemployment compensation to the State agency, except that the State agency may waive such repayment if it determines that—

(1) the payment of such emergency unemployment compensation was without fault on the part of any such individual, and

(2) such repayment would be contrary to equity and good conscience.

#### (c) RECOVERY BY STATE AGENCY.—

(1) IN GENERAL.—The State agency may recover the amount to be repaid, or any part thereof, by deductions from any emergency unemployment compensation payable to such individual under this Act or from any unemployment compensation payable to such individual under any Federal unemployment compensation law administered by the State agency or under any other Federal law administered by the State agency which provides for the payment of any assistance or allowance with respect to any week of unemployment, during the 3-year period after the date such individuals received the payment of the emergency unemployment compensation to which they were not entitled, except that no single deduction may exceed 50 percent of the weekly benefit amount from which such deduction is made.

(2) OPPORTUNITY FOR HEARING.—No repayment shall be required, and no deduction shall be made, until a determination has been made, notice thereof and an opportunity for a fair hearing has been given to the individual, and the determination has become final.

(d) REVIEW.—Any determination by a State agency under this section shall be subject to review in the same manner and to the same extent as determinations under the State unemployment compensation law, and only in that manner and to that extent.

#### SEC. 106. DEFINITIONS.

(a) IN GENERAL.—For purposes of this Act:

(1) IN GENERAL.—The terms "compensation", "regular compensation", "extended compensation", "additional compensation", "benefit year", "base period", "State", "State agency", "State law", and "week" have the respective meanings given such terms under section 205 of the Federal-State Extended Unemployment Compensation Act of 1970.

(2) PERIOD OF ELIGIBILITY.—An individual's period of eligibility consists of any week which begins on or after November 17, 1991, and which (except as provided in section 102(f)(2)) begins before July 4, 1992; except that an individual shall not have any period of eligibility unless his benefit year ends on or after November 16, 1991.

(3) ADJUSTED RATE OF INSURED UNEMPLOYMENT.—The adjusted rate of insured unemployment for any period shall be determined in the same manner as the rate of insured unemployment is determined under section 203 of the Federal-State Extended Unemployment Compensation Act of 1970; except that individuals exhausting their rights to regular compensation during the most recent 3 calendar months for which data are available before the close of the period for which such rate is being determined shall be taken into account as if they were individuals filing claims for regular compensation for each week during the period for which such rate is being determined.

(4) EXHAUSTION RATE.—The exhaustion rate for any month is the percentage obtained by dividing—

(A) the monthly average number of individuals exhausting their rights to regular compensation under the State law during the 12-month period ending with such month, by

(B) the monthly average number of individuals filing initial claims for regular compensation under the State law during the 12-month period ending with the 6th month of the 12-month period referred to in subparagraph (A).

(5) RATE OF TOTAL UNEMPLOYMENT.—The term "rate of total unemployment" means, with respect to any period, the average unadjusted total rate of unemployment (as determined by the Secretary) for a State for such period.

(b) ROUNDING.—For purposes of this Act, any rate determined under paragraph (3), (4), or (5) of subsection (a) shall be rounded to the nearest 1/10th of a percent.

### TITLE II—DEMONSTRATION PROGRAM TO PROVIDE JOB SEARCH ASSISTANCE

#### SEC. 201. DEMONSTRATION PROGRAM TO PROVIDE JOB SEARCH ASSISTANCE.

(a) GENERAL RULE.—The Secretary of Labor (hereafter in this title referred to as the "Secretary") shall carry out a demonstration program under this title for purposes of determining the feasibility of implementing job search assistance programs. To carry out such demonstration program, the Secretary shall enter into agreements with 3 States which—

(1) apply to participate in such program, and

(2) demonstrate to the Secretary that they are capable of implementing the provisions of an agreement under this section.

#### (b) SELECTION OF STATES.—

(1) IN GENERAL.—In determining whether to enter into an agreement with a State under this section, the Secretary shall take into consideration at least—

(A) the size, geography, and occupational and industrial composition of the State,

(B) the adequacy of State resources to carry out a job search assistance program,

(C) the range and extent of specialized services to be provided by the State to individuals covered by the agreement, and

(D) the design of the evaluation to be applied by the State to the program.

(2) REPLICATION OF PRIOR DEMONSTRATION PROJECT.—At least 1 of the States selected by the Secretary under subsection (a) shall be a State which has operated a successful demonstration project with respect to job search assistance under a contract with the Department of Labor. The demonstration program under this title of any such State shall, at a minimum, replicate the project it operated under such contract in the same geographic areas.

(c) PROVISIONS OF AGREEMENT.—Any agreement entered into with a State under this section shall—

(1) provide that the State will implement a job search assistance program during the 1-year period specified in such agreement,

(2) provide that such implementation will begin not later than the date 18 months after the date of the enactment of this Act,

(3) contain such provisions as may be necessary to ensure an accurate evaluation of the effectiveness of a job search assistance program, including—

(A) random selection of eligible individuals for participation in the program and for inclusion in a control group, and

(B) collection of data on participants and members of a control group as of the close of the 1-year period and 2-year period after the operations of the program cease,

(4) provide that not more than 5 percent of the claimants for unemployment compensation under the State law shall be selected as participants in the job search assistance program, and

(5) contain such other provisions as the Secretary may require.

#### SEC. 202. JOB SEARCH ASSISTANCE PROGRAM.

(a) GENERAL RULE.—For purposes of this title, a job search assistance program shall provide that—

(1) eligible individuals who are selected to participate in the program shall be required to participate in a qualified intensive job search program after receiving compensation under such State law during any benefit year for at least 6 but not more than 10 weeks,

(2) every individual required to participate in a job search program under paragraph (1) shall be entitled to receive an intensive job search program voucher, and

(3) any individual who is required under paragraph (1) to participate in a qualified intensive job search program and who does not satisfactorily participate in such program shall be disqualified from receiving compensation under such State law for the period (of not more than 10 weeks) specified in the agreement under section 201.

(b) ELIGIBLE INDIVIDUAL.—For purposes of this title—

(1) IN GENERAL.—The term "eligible individual" means any individual receiving compensation under the State law during any benefit year if, during the 3-year period ending on the last day of the base period for such benefit year, such individual had at least 126 weeks of employment at wages of \$30 or more a week with such individual's last employer in such base period (or, if data with respect to weeks of employment with such last employer are not available, an equivalent amount of employment computed under regulations prescribed by the Secretary).

(2) EXCEPTION.—Such term shall not include any individual if—

(A) such individual has a definite date for recall to his former employment,

(B) such individual seeks employment through a union hall or similar arrangement, or

(C) the State agency—

(i) waives the requirements of subsection (a)(1) for good cause shown by such individual, or

(ii) determines that such participation would not be appropriate for such individual.

(C) **QUALIFIED INTENSIVE JOB SEARCH PROGRAM.**—For purposes of this section, the term "qualified intensive job search program" means any intensive job search assistance program which—

(1) is approved by the State agency,

(2) is provided by an organization qualified to provide job search assistance programs under any other Federal law, and

(3) includes—

(A) all basic employment services, such as orientation, testing, a job-search workshop, and an individual assessment and counseling interview, and

(B) additional services, such as ongoing contact with the program staff, followup assistance, resource centers, and job search materials and equipment.

(d) **INTENSIVE JOB SEARCH VOUCHER.**—For purposes of this section, the term "intensive job search voucher" means any voucher which entitles the organization (including the State employment service) providing the qualified intensive job search assistance program to a payment from the State agency equal to the lesser of—

(1) the reasonable costs of providing such program, or

(2) the average weekly benefit amount in the State.

#### SEC. 203. ADMINISTRATIVE PROVISIONS.

(a) **FINANCING PROVISIONS.**—

(1) **PAYMENTS TO STATES.**—There shall be paid to each State which enters into an agreement under section 201 an amount equal to the lesser of the reasonable costs of operating the job search assistance program pursuant to such agreement or the State's average weekly benefit amount for each individual selected to participate in the job search assistance program operated by such State pursuant to such agreement. Funds in the extended unemployment compensation account (as established by section 905 of the Social Security Act) shall be used for purposes of making such payments.

(2) **PAYMENTS ON CALENDAR MONTH BASIS.**—There shall be paid to each State either in advance or by way of reimbursement, as may be determined by the Secretary, such sum as the Secretary estimates the State will be entitled to receive under this subsection for each calendar month, reduced or increased, as the case may be, by any sum by which the Secretary finds that the Secretary's estimates for any prior calendar month were greater or less than the amounts which should have been paid to the State. Such estimates may be made on the basis of such method as may be agreed upon by the Secretary and the State agency.

(3) **CERTIFICATION.**—The Secretary shall from time to time certify to the Secretary of the Treasury for payment to each State the sums payable to such State under this subsection. The Secretary of the Treasury, prior to audit or settlement by the General Accounting Office, shall make payment to the State in accordance with such certification, by transfers from the extended unemployment compensation account (as established by section 905 of the Social Security Act) to the account of such State in the Unemployment Trust Fund.

(4) **SPECIAL RULE.**—Notwithstanding any other provision of law, amounts in the ac-

count of a State in the Unemployment Trust Fund may be used for purposes of making payments pursuant to intensive job search vouchers provided pursuant to an agreement under this title.

(b) **REPORTS TO CONGRESS.**—

(1) **INTERIM REPORTS.**—The Secretary shall submit 2 interim reports to the Congress on the effectiveness of the demonstration program carried out under this title. The 1st such report shall be submitted before the date 2 years after operations under the demonstration program commenced and the 2d such report shall be submitted before the date 4 years after such commencement.

(2) **FINAL REPORT.**—Not later than the date 5 years after the commencement referred to in paragraph (1), the Secretary shall submit a final report to the Congress on the demonstration program carried out under this title. Such report shall include estimates of program impact, such as—

(A) changes in duration of unemployment, earnings, and hours worked of participants,

(B) changes in unemployment compensation outlays,

(C) changes in unemployment taxes,

(D) net effect on the Unemployment Trust Fund,

(E) net effect on Federal unified budget deficit, and

(F) net social benefits or costs of the program.

(c) **DEFINITIONS.**—For purposes of this title, the terms "compensation", "benefit year", "State", "State agency", "State law", "base period", and "week" have the respective meanings given such terms by section 106.

#### TITLE III—OTHER PROVISIONS

#### SEC. 301. PAYMENTS OF UNEMPLOYMENT COMPENSATION TO FORMER MEMBERS OF THE ARMED FORCES.

(a) **REPEAL OF CERTAIN LIMITATIONS.**—Subsection (c) of section 8521 of title 5, United States Code, is hereby repealed.

(b) **REDUCTION IN LENGTH OF REQUIRED ACTIVE DUTY BY RESERVES.**—Paragraph (1) of section 8521(a) of such title 5 is amended by striking "180 days" and inserting "90 days".

(c) **EFFECTIVE DATE.**—The amendments made by this section shall apply to weeks of unemployment beginning on or after the date of the enactment of this Act.

#### SEC. 302. OPTIONAL BENEFITS FOR CERTAIN SCHOOL EMPLOYEES.

(a) **IN GENERAL.**—

(1) Subclause (I) of section 3304(a)(6)(A)(ii) of the Internal Revenue Code of 1986 is amended by striking "shall be denied" and inserting "may be denied".

(2) Subparagraph (A) of section 3304(a)(6) of such Code is amended by striking "and" at the end of clauses (iii) and (iv) and by inserting after clause (v) the following new clause:

"(vi) with respect to services described in clause (ii), clauses (iii) and (iv) shall be applied by substituting 'may be denied' for 'shall be denied', and".

(b) **EFFECTIVE DATE.**—The amendments made by this section shall apply in the case of compensation paid for weeks beginning on or after the date of the enactment of this Act.

#### SEC. 303. ADVISORY COUNCIL ON UNEMPLOYMENT COMPENSATION.

Section 908 of the Social Security Act is amended to read as follows:

##### "ADVISORY COUNCIL ON UNEMPLOYMENT COMPENSATION

"SEC. 908. (a) **ESTABLISHMENT.**—Not later than February 1, 1992, and every 4th year thereafter, the Secretary of Labor shall establish an advisory council to be known as

the Advisory Council on Unemployment Compensation (referred to in this section as the 'Council').

"(b) **FUNCTION.**—It shall be the function of each Council to evaluate the unemployment compensation program, including the purpose, goals, countercyclical effectiveness, coverage, benefit adequacy, trust fund solvency, funding of State administrative costs, administrative efficiency, and any other aspects of the program and to make recommendations for improvement.

"(c) **MEMBERS.**—

"(1) **IN GENERAL.**—Each Council shall consist of 11 members as follows:

"(A) 5 members appointed by the President, to include representatives of business, labor, State government, and the public.

"(B) 3 members appointed by the President pro tempore of the Senate, in consultation with the Chairman and ranking member of the Committee on Finance of the Senate.

"(C) 3 members appointed by the Speaker of the House of Representatives, in consultation with the Chairman and ranking member of the Committee on Ways and Means of the House of Representatives.

"(2) **QUALIFICATIONS.**—In appointing members under subparagraphs (B) and (C) of paragraph (1), the President pro tempore of the Senate and the Speaker of the House of Representatives shall each appoint—

"(A) 1 representative of the interests of business,

"(B) 1 representative of the interests of labor, and

"(C) 1 representative of the interests of State governments.

"(3) **VACANCIES.**—A vacancy in any Council shall be filled in the manner in which the original appointment was made.

"(4) **CHAIRMAN.**—The President shall appoint the Chairman of the Council from among its members.

"(d) **STAFF AND OTHER ASSISTANCE.**—

"(1) **IN GENERAL.**—Each Council may engage any technical assistance (including actuarial services) required by the Council to carry out its functions under this section.

"(2) **ASSISTANCE FROM SECRETARY OF LABOR.**—The Secretary of Labor shall provide each Council with any staff, office facilities, and other assistance, and any data prepared by the Department of Labor, required by the Council to carry out its functions under this section.

"(e) **COMPENSATION.**—Each member of any Council—

"(1) shall be entitled to receive compensation at the rate of pay for level V of the Executive Schedule under section 5316 of title 5, United States Code, for each day (including travel time) during which such member is engaged in the actual performance of duties vested in the Council, and

"(2) while engaged in the performance of such duties away from such member's home or regular place of business, shall be allowed travel expenses (including per diem in lieu of subsistence) as authorized by section 5703 of title 5, United States Code, for persons in the Government employed intermittently.

"(f) **REPORT.**—

"(1) **IN GENERAL.**—Not later than February 1 of the 2d year following the year in which any Council is required to be established under subsection (a), the Council shall submit to the President and the Congress a report setting forth the findings and recommendations of the Council as a result of its evaluation of the unemployment compensation program under this section.

"(2) **REPORT OF FIRST COUNCIL.**—The Council shall include in its report required to be

submitted by February 1, 1994, the Council's findings and recommendations with respect to determining eligibility for extended unemployment benefits on the basis of unemployment statistics for regions, States, or subdivisions of States."

**SEC. 304. REPORT ON METHOD OF ALLOCATING ADMINISTRATIVE FUNDS AMONG STATES.**

(a) **IN GENERAL.**—The Secretary of Labor shall submit to the Congress, within the 12-month period beginning on the date of the enactment of this Act, a comprehensive report setting forth a proposal for revising the method of allocating grants among the States under section 302 of the Social Security Act.

(b) **SPECIFIC REQUIREMENTS.**—The report required by subsection (a) shall include an analysis of—

(1) the use of unemployment insurance workload levels as the primary factor in allocating grants among the States under section 302 of the Social Security Act,

(2) ways to ensure that each State receive not less than a minimum grant amount for each fiscal year,

(3) the use of nationally available objective data to determine the unemployment compensation administrative costs of each State, with consideration of legitimate cost differences among the States,

(4) ways to simplify the method of allocating such grants among the States,

(5) ways to eliminate the disincentives to productivity and efficiency which exist in the current method of allocating such grants among the States,

(6) ways to promote innovation and cost-effective practices in the method of allocating such grants among the States, and

(7) the effect of the proposal set forth in such report on the grant amounts allocated to each State.

(c) **CONGRESSIONAL REVIEW PERIOD.**—The Secretary of Labor may not revise the method in effect on the date of the enactment of this Act for allocating grants among the States under section 302 of the Social Security Act, until after the expiration of the 12-month period beginning on the date on which the report required by subsection (a) is submitted to the Congress.

**TITLE IV—FINANCING PROVISIONS**

**SEC. 401. PERMANENT EXTENSION OF PROVISIONS RELATING TO COLLECTION OF NONTAX DEBTS OWED TO FEDERAL AGENCIES.**

(a) **IN GENERAL.**—Subsection (c) of section 2653 of the Deficit Reduction Act of 1984 is amended by striking “, and on or before January 10, 1994”.

(b) **EFFECTIVE DATE.**—The amendment made by this section shall take effect on October 1, 1991.

**SEC. 402. EXTENSION OF FUTA SURTAX.**

Section 3301 of the Internal Revenue Code of 1986 (relating to rate of unemployment tax) is amended—

(1) by striking “1995” in paragraph (1) and inserting “1996”, and

(2) by striking “1996” in paragraph (2) and inserting “1997”.

**SEC. 403. MODIFICATION TO INDIVIDUAL ESTIMATED TAX REQUIREMENTS.**

(a) **GENERAL RULE.**—Paragraph (1) of section 6654(d) of the Internal Revenue Code of 1986 (relating to amount of required installments) is amended by adding at the end thereof the following new subparagraphs:

“(C) **LIMITATION ON USE OF PRECEDING YEAR'S TAX.**—

“(i) **IN GENERAL.**—In any case to which this subparagraph applies, clause (ii) of subpara-

graph (B) shall be applied as if it read as follows:

“(ii) the greater of—

“(I) 100 percent of the tax shown on the return of the individual for the preceding taxable year, or

“(II) 90 percent of the tax shown on the return for the current year, determined by taking into account the adjustments set forth in subparagraph (D).”

“(ii) **CASES TO WHICH SUBPARAGRAPH APPLIES.**—This subparagraph shall apply if—

“(I) the modified adjusted gross income for the current year exceeds the amount of the adjusted gross income shown on the return of the individual for the preceding taxable year by more than \$40,000 (\$20,000 in the case of a married individual),

“(II) the adjusted gross income shown on the return for the current year exceeds \$75,000 (\$37,500 in the case of a married individual filing a separate return), and

“(III) the taxpayer has made a payment of estimated tax (determined without regard to subsection (g) and section 6402(b)) with respect to any of the preceding 3 taxable years (or a penalty has been previously assessed under this section for a failure to pay estimated tax with respect to any of such 3 preceding taxable years).

This subparagraph shall not apply to any taxable year beginning after December 31, 1996.

“(iii) **MAY USE PRECEDING YEAR'S TAX FOR FIRST INSTALLMENT.**—This subparagraph shall not apply for purposes of determining the amount of the 1st required installment for any taxable year. Any reduction in an installment by reason of the preceding sentence shall be recaptured by increasing the amount of the 1st succeeding required installment (with respect to which the requirements of clause (iv) are not met) by the amount of such reduction.

“(iv) **ANNUALIZATION EXCEPTION.**—This subparagraph shall not apply to any required installment if the individual establishes that the requirements of subclauses (I) and (II) of clause (ii) would not have been satisfied if such subclauses were applied on the basis of—

“(I) the annualized amount of the modified adjusted gross income for months in the current year ending before the due date for the installment determined by assuming that all items referred to in clause (i) of subparagraph (D) accrued ratably during the current year, and

“(II) the annualized amount of the adjusted gross income for months in the current year ending before the due date for the installment.

Any reduction in an installment under the preceding sentence shall be recaptured by increasing the amount of the 1st succeeding required installment (with respect to which the requirements of the preceding sentence are not met) by the amount of such reduction.

“(D) **MODIFIED ADJUSTED GROSS INCOME FOR CURRENT YEAR.**—For purposes of this paragraph, the term ‘modified adjusted gross income’ means the amount of the adjusted gross income shown on the return for the current year determined with the following modifications:

“(i) The qualified pass-thru items shown on the return for the preceding taxable year shall be treated as also shown on the return for the current year (and the actual qualified pass-thru items (if any) for the current year shall be disregarded).

“(ii) The amount of any gain from any involuntary conversion (within the meaning of section 1033) which is shown on the return for the current year shall be disregarded.

“(iii) The amount of any gain from the sale or exchange of a principal residence (within the meaning of section 1034) which is shown on the return for the current year shall be disregarded.

“(E) **QUALIFIED PASS-THRU ITEM.**—For purposes of this paragraph—

“(i) **IN GENERAL.**—Except as otherwise provided in this subparagraph, the term ‘qualified pass-thru item’ means any item of income, gain, loss, deduction, or credit attributable to an interest in a partnership or S corporation. Such term shall not include any gain or loss from the disposition of an interest in an entity referred to in the preceding sentence.

“(ii) **10-PERCENT OWNERS AND GENERAL PARTNERS EXCLUDED.**—The term ‘qualified pass-thru item’ shall not include, with respect to any year, any item attributable to—

“(I) an interest in an S corporation, if at any time during such year the individual was a 10-percent owner in such corporation, or

“(II) an interest in a partnership, if at any time during such year the individual was a 10-percent owner or general partner in such partnership.

“(iii) **10-PERCENT OWNER.**—The term ‘10-percent owner’ means—

“(I) in the case of an S corporation, an individual who owns 10 percent or more (by vote or value) of the stock in such corporation, and

“(II) in the case of a partnership, an individual who owns 10 percent or more of the capital interest (or the profits interest) in such partnership.

“(F) **OTHER DEFINITIONS AND SPECIAL RULES.**—For purposes of this paragraph—

“(i) **CURRENT YEAR.**—The term ‘current year’ means the taxable year for which the amount of the installment is being determined.

“(ii) **SPECIAL RULE.**—If no return is filed for the current year, any reference in subparagraph (C) or (D) to an item shown on the return for the current year shall be treated as a reference to the actual amount of such item for such year.

“(iii) **MARITAL STATUS.**—Marital status shall be determined under section 7703.”

(b) **TECHNICAL AMENDMENTS.**—

(1) Subparagraph (C) of section 6654(i)(1) of such Code is amended to read as follows:

“(C) the amount of such installment shall be equal to the required annual payment determined under subsection (d)(1)(B) by substituting ‘66½ percent’ for ‘90 percent’ and without regard to subparagraph (C) of subsection (d)(1), and”.

(2) Subparagraph (A) of section 6654(j)(3) of such Code is amended by inserting before the period at the end thereof the following: “and subsection (d)(1)(C)(iii) shall not apply”.

(3) Paragraph (4) of section 6654(l) of such Code is amended by striking “subsection (d)(2)(B)(i)” and inserting “paragraphs (1)(C)(iv) and (2)(B)(i) of subsection (d)”.

(c) **EFFECTIVE DATE.**—The amendments made by this section shall apply to taxable years beginning after December 31, 1991.

**TITLE V—RAILROAD UNEMPLOYMENT**

**INSURANCE**

**SEC. 501. EXTENDED RAILROAD UNEMPLOYMENT INSURANCE BENEFITS DURING PERIODS OF HIGH NATIONAL UNEMPLOYMENT.**

(a) **IN GENERAL.**—For purposes of section 2(h) of the Railroad Unemployment Insurance Act (45 U.S.C. 352(h)(2)), a “period of

high unemployment" includes any month during the period November, 1991 through July, 1992.

(b) EFFECTIVE DATES.—

(1) IN GENERAL.—Except as provided in paragraphs (2) and (3), no employee shall have an extended benefit period under the second proviso of section 2(c) of the Railroad Unemployment Insurance Act beginning before November 17, 1991, or after July 4, 1992.

(2) TRANSITION.—If an employee has established an extended benefit period under the second proviso of section 2(c) of the Railroad Unemployment Insurance Act and the last day of such extended benefit period, as established, is after July 4, 1992, such employee shall continue to be entitled to extended unemployment benefits for days of unemployment in registration periods included in such extended benefit period, provided that such employee meets the eligibility requirements of this section and the Railroad Unemployment Insurance Act.

(3) REACHBACK PROVISIONS.—If an employee has exhausted that employee's rights to normal unemployment benefits under section 2(c) of the Railroad Unemployment Insurance Act after February 28, 1991, but before November 17, 1991, such employee shall, for the purposes of the application of this section, be deemed to have exhausted such rights after November 17, 1991.

(c) LIMITATION ON PAYMENT.—Extended benefits under this section shall be payable for a maximum of 65 days of unemployment, including any extended benefits payable by reason of the application of the reachback provisions.

**TITLE VI—GUARANTEED STUDENT LOANS**

**SEC. 601. CREDIT CHECKS; COSIGNERS.**

(a) FISL PROGRAM.—Section 427(a)(2)(A) of the Higher Education Act of 1965 (20 U.S.C. 1001 et seq.), hereafter in this title referred to as "the Act", is amended to read as follows:

"(A) is made without security and without endorsement, except that prior to making a loan insurable by the Secretary under this part a lender shall—

"(i) obtain a credit report, from at least one national credit bureau organization, with respect to a loan applicant who will be at least 21 years of age as of July 1 of the award year for which assistance is being sought, for which the lender may charge the applicant an amount not to exceed the lesser of \$25 or the actual cost of obtaining the credit report; and

"(ii) require an applicant of the age specified in clause (i) who, in the judgment of the lender in accordance with the regulations of the Secretary, has an adverse credit history, to obtain a credit worthy cosigner in order to obtain the loan, provided that, for purposes of this clause, an insufficient or non-existent credit history may not be considered to be an adverse credit history;"

(b) GSL PROGRAM.—Section 428(b)(1) of the Act is amended—

(1) in subparagraph (U), by striking "and" at the end thereof;

(2) in subparagraph (V), by striking the period at the end thereof and inserting a semicolon and "and"; and

(3) by adding at the end thereof the following new subparagraph:

"(W) provides that prior to making a loan made, insured, or guaranteed under this part (other than a loan made in accordance with section 428C), a lender shall—

"(i) obtain a credit report, from at least one national credit bureau organization, with respect to a loan applicant who will be at least 21 years of age as of July 1 of the award year for which assistance is being

sought, for which the lender may charge the applicant an amount not to exceed the lesser of \$25 or the actual cost of obtaining the credit report; and

"(ii) require an applicant of the age specified in clause (i) who, in the judgment of the lender in accordance with the regulations of the Secretary, has an adverse credit history, to obtain a credit worthy cosigner in order to obtain the loan, provided that, for purposes of this clause, an insufficient or non-existent credit history may not be considered to be an adverse credit history;"

**SEC. 602. BORROWER INFORMATION.**

(a) FISL PROGRAM.—Section 427 of the Act is amended by adding at the end thereof the following new subsection:

"(d) BORROWER INFORMATION.—The lender shall obtain the borrower's driver's license number, if any, at the time of application for the loan."

(b) GSL PROGRAM.—Section 428 of the Act is amended—

(1) in subsection (a)(2)(A)—

(A) in clause (i)(I), by striking out "and" at the end thereof;

(B) in clause (ii), by striking out the period at the end thereof and inserting in lieu thereof a semicolon and "and"; and

(C) by adding at the end thereof the following new clause:

"(iii) have provided to the lender at the time of application for a loan made, insured, or guaranteed under this part, the student's driver's number, if any;"

**SEC. 603. ADDITIONAL BORROWER INFORMATION.**

Section 485(b) of the Act is amended—

"(1) by striking the subsection heading and inserting "EXIT COUNSELING FOR BORROWERS; BORROWER INFORMATION.—"; and

(2) by adding at the end thereof the following: "Each eligible institution shall require that the borrower of a loan made under part B, part D, or part E submit to the institution, during the exit interview required by this subsection, the borrower's expected permanent address after leaving the institution, regardless of the reason for leaving; the name and address of the borrower's expected employer after leaving the institution; and the address of the borrower's next of kin. In the case of a loan made under part B, the institution shall then submit this information to the holder of the loan."

**SEC. 604. CONFESSION OF JUDGMENT.**

Section 428(b)(1) of the Act is further amended—

(1) in subparagraph (V), by striking "and" at the end thereof;

(2) in subparagraph (W), by striking the period at the end thereof and inserting a semicolon and "and"; and

(3) by adding at the end thereof the following new subparagraph:

"(X) provides that the lender shall obtain, as part of the note or written agreement evidencing the loan, the borrower's authorization for entry of judgment against the borrower in the event of default."

**SEC. 605. WAGE GARNISHMENT.**

(a) AMENDMENT.—Part G of title IV of the Act is amended by inserting immediately following section 488 the following new section:

**"WAGE GARNISHMENT REQUIREMENT**

"SEC. 488A. (a) GARNISHMENT REQUIREMENTS.—Notwithstanding any provision of State law, a guaranty agency, or the Secretary in the case of loans made, insured or guaranteed under this title that are held by the Secretary, may garnish the disposable pay of an individual to collect the amount

owed by the individual, if he or she is not currently making required repayment under a repayment agreement with the Secretary, or, in the case of a loan guaranteed under part B on which the guaranty agency received reimbursement from the Secretary under section 428(c), with the guaranty agency holding the loan, as appropriate, provided that—

"(1) the amount deducted for any pay period may not exceed 10 percent of disposable pay, except that a greater percentage may be deducted with the written consent of the individual involved;

"(2) the individual shall be provided written notice, sent by mail to the individual's last known address, a minimum of 30 days prior to the initiation of proceedings, from the guaranty agency or the Secretary, as appropriate, informing such individual of the nature and amount of the loan obligation to be collected, the intention of the guaranty agency or the Secretary, as appropriate, to initiate proceedings to collect the debt through deductions from pay, and an explanation of the rights of the individual under this section;

"(3) the individual shall be provided an opportunity to inspect and copy records relating to the debt;

"(4) the individual shall be provided an opportunity to enter into a written agreement with the guaranty agency or the Secretary, under terms agreeable to the Secretary, or the head of the guaranty agency or his designee, as appropriate, to establish a schedule for the repayment of the debt;

"(5) the individual shall be provided an opportunity for a hearing in accordance with subsection (b) on the determination of the Secretary or the guaranty agency, as appropriate, concerning the existence or the amount of the debt, and, in the case of an individual whose repayment schedule is established other than by a written agreement pursuant to paragraph (4), concerning the terms of the repayment schedule;

"(6) the employer shall pay to the Secretary or the guaranty agency as directed in the withholding order issued in this action, and shall be liable for, and the Secretary or the guaranty agency, as appropriate, may sue the employer in a State or Federal court of competent jurisdiction to recover, any amount that such employer fails to withhold from wages due an employee following receipt of such employer of notice of the withholding order, plus attorneys' fees, costs, and, in the court's discretion, punitive damages, but such employer shall not be required to vary the normal pay and disbursement cycles in order to comply with this paragraph;

"(7) if an individual has been reemployed within 12 months after having been involuntarily separated from employment, no amount may be deducted from the disposable pay of such individual until such individual has been reemployed continuously for at least 12 months; and

"(8) an employer may not discharge from employment, refuse to employ, or take disciplinary action against an individual subject to wage withholding in accordance with this section by reason of the fact that the individual's wages have been subject to garnishment under this section, and such individual may sue in a State or Federal court of competent jurisdiction any employer who takes such action. The court shall award attorneys' fees to a prevailing employee and, in its discretion, may order reinstatement of the individual, award punitive damages and back pay to the employee, or order such other remedy as may be reasonably necessary.

"(b) HEARING REQUIREMENTS.—A hearing described in subsection (a)(5) shall be provided prior to issuance of a garnishment order if the individual, on or before the 15th day following the mailing of the notice described in subsection (a)(2), and in accordance with such procedures as the Secretary or the head of the guaranty agency, as appropriate, may prescribe, files a petition requesting such a hearing. If the individual does not file a petition requesting a hearing prior to such date, the Secretary or the guaranty agency, as appropriate, shall provide the individual a hearing under subsection (a)(5) upon request, but such hearing need not be provided prior to issuance of a garnishment order. A hearing under subsection (a)(5) may not be conducted by an individual under the supervision or control of the head of the guaranty agency, except that nothing in this sentence shall be construed to prohibit the appointment of an administrative law judge. The hearing official shall issue a final decision at the earliest practicable date, but not later than 60 days after the filing of the petition requesting the hearing.

"(c) NOTICE REQUIREMENTS.—The notice to the employer of the withholding order shall contain only such information as may be necessary for the employer to comply with the withholding order.

"(d) DEFINITION.—For the purpose of this section, the term 'disposable pay' means that part of the compensation of any individual from an employer remaining after the deduction of any amounts required by law to be withheld."

(b) ABOLITION OF ADDITIONAL COST PAYMENTS.—

(1) Section 428E of the Act is repealed.  
(2) Section 428(c)(6) of the Act is amended by striking subparagraph (D).

#### SEC. 606. DATA MATCHING.

Part G of title IV of the Act is further amended by inserting immediately following section 489 the following new section:

##### "DATA MATCHING

"SEC. 489A. (a)(1) The Secretary is authorized to obtain information from the files and records maintained by any of the departments, agencies, or instrumentalities of the United States concerning the most recent address of an individual obligated on a loan held by the Secretary or a loan made in accordance with part B of this title held by a guaranty agency, or an individual owing a refund of an overpayment of a grant awarded under this title, and the name and address of such individual's employer, if the Secretary determines that such information is needed to enforce the loan or collect the overpayment.

"(2) The Secretary is authorized to provide the information described in paragraph (1) to a guaranty agency holding a loan made under part B of this title on which such individual is obligated.

"(b)(1) Notwithstanding any other provision of law, whenever the head of any department, agency, or instrumentality of the United States receives a request from the Secretary for information authorized under this section, such individual or his designee shall promptly cause a search to be made of the records of the agency to determine whether the information requested is contained in those records.

"(2)(A) If such information is found, the individual shall, in conformance with the provisions of the Privacy Act of 1974, as amended, immediately transmit such information to the Secretary, except that if disclosure of this information would contravene national policy or security interests of the United

States, or the confidentiality of census data, the individual shall immediately so notify the Secretary and shall not transmit the information.

"(B) If no such information is found, the individual shall immediately so notify the Secretary.

"(3)(A) The reasonable costs incurred by any such agency of the United States in providing any such information to the Secretary shall be reimbursed by the Secretary, and retained by the agency.

"(B) Whenever such information is furnished to a guaranty agency, that agency shall be charged a fee to be used to reimburse the Secretary for the expense of providing such information."

#### MODIFICATION TO AMENDMENT IN THE NATURE OF A SUBSTITUTE OFFERED BY MR. ROSTENKOWSKI

Mr. ROSTENKOWSKI. Mr. Chairman, I ask unanimous consent that the amendment in the nature of a substitute be modified with a technical correction which is at the desk.

The CHAIRMAN. The Clerk will report the modification.

The Clerk read as follows:

Modification to amendment in the nature of a substitute offered by Mr. ROSTENKOWSKI:

(1) In section 102(g)(2) of the bill, strike "filing initial claims for" and insert "receiving first payments of".

(2) In section 106(a)(4)(B) of the bill, strike "filing initial claims for" and insert "receiving first payments of".

The CHAIRMAN. Is there objection to the request of the gentleman from Illinois?

Mr. ARCHER. Mr. Chairman, reserving the right to object, I do so in order to ask a question of the chairman.

Is this request for modification one that was made by the Department of Labor?

Mr. ROSTENKOWSKI. Mr. Chairman, will the gentleman yield?

Mr. ARCHER. Further reserving the right to object, I am happy to yield to the gentleman from Illinois.

Mr. ROSTENKOWSKI. Mr. Chairman, the gentleman is correct. This is a request made by the Department of Labor, the administration, to help expedite the funneling of the checks to our unemployed.

Mr. ARCHER. Mr. Chairman, I thank the gentleman for his explanation.

Mr. Chairman, I withdraw my reservation of objection.

The CHAIRMAN. Is there objection to the request of the gentleman from Illinois?

There was no objection.

The CHAIRMAN. No amendment to the amendment in the nature of a substitute, as modified, is in order.

The question is on the amendment in the nature of a substitute, as modified.

The amendment in the nature of a substitute, as modified, was agreed to.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly, the Committee rose; and the Speaker pro tempore [Mr. HOYER] having assumed the chair, Mr. LEWIS of Georgia, Chairman of the

Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 3575) to provide a program of Federal supplemental compensation, and for other purposes, pursuant to House Resolution 280, he reported the bill back to the House.

The SPEAKER pro tempore. Under the rule, the previous question is ordered.

□ 1350

The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER pro tempore. The question is on the passage of the bill.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. ROSTENKOWSKI. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 396, nays 30, not voting 8, as follows:

[Roll No. 396]

YEAS—396

Abercrombie	Carden	Edwards (TX)
Ackerman	Carper	Emerson
Alexander	Carr	Engel
Allen	Chandler	English
Anderson	Chapman	Erdreich
Andrews (ME)	Clay	Espy
Andrews (NJ)	Clement	Evans
Andrews (TX)	Clinger	Ewing
Annuzio	Coble	Fascell
Anthony	Coleman (MO)	Fawell
Applegate	Coleman (TX)	Fazio
Aspin	Collins (IL)	Feighan
Atkins	Collins (MI)	Fields
AuCoin	Condit	Fish
Bacchus	Conyers	Flake
Ballenger	Cooper	Foglietta
Barnard	Costello	Ford (MI)
Bateman	Coughlin	Ford (TN)
Bellenson	Cox (CA)	Frank (MA)
Bennett	Cox (IL)	Franks (CT)
Bentley	Coyne	Frost
Bereuter	Cramer	Gallo
Berman	Cunningham	Gaydos
Bevill	Darden	Gejdenson
Bilbray	Davis	Gekas
Bilirakis	de la Garza	Gephardt
Blackwell	DeFazio	Geren
Bliley	DeLauro	Gibbons
Boehlert	Dellums	Gilchrest
Boehner	Derrick	Gillmor
Bonior	Dickinson	Gilman
Borski	Dicks	Gingrich
Boucher	Dingell	Glickman
Boxer	Dixon	Gonzalez
Brewster	Donnelly	Goodling
Brooks	Dooley	Gordon
Broomfield	Dorgan (ND)	Goss
Browder	Dorman (CA)	Gradison
Brown	Downey	Grandy
Bruce	Dreier	Green
Bryant	Durbin	Guarini
Bunning	Dwyer	Gunderson
Bustamante	Dymally	Hall (OH)
Byron	Early	Hall (TX)
Callahan	Eckart	Hamilton
Camp	Edwards (CA)	Hamerschmidt
Campbell (CO)	Edwards (OK)	Hancock

Harris	McNulty	Sabo
Hastert	Meyers	Sanders
Hayes (IL)	Mfume	Sangmeister
Hefley	Michel	Santorum
Hefner	Miller (CA)	Sarpalius
Henry	Miller (OH)	Savage
Henger	Miller (WA)	Sawyer
Hertel	Mineta	Saxton
Hoagland	Mink	Scheuer
Hobson	Moakley	Schiff
Hochbrueckner	Molinari	Schroeder
Hopkins	Mollohan	Schumer
Horn	Montgomery	Serrano
Horton	Moody	Sharp
Houghton	Moorhead	Shaw
Hoyer	Moran	Shays
Hubbard	Morella	Shuster
Huckaby	Morrison	Sikorski
Hughes	Mrazek	Sisisky
Hunter	Murphy	Skaggs
Hutto	Murtha	Skeen
Hyde	Myers	Skelton
Ireland	Nagle	Slattery
Jacobs	Natcher	Slaughter
James	Neal (MA)	Smith (FL)
Jefferson	Neal (NC)	Smith (IA)
Johnson (CT)	Nowak	Smith (NJ)
Johnson (SD)	Nussle	Smith (OR)
Johnston	Oakar	Smith (TX)
Jones (GA)	Oberstar	Snowe
Jones (NC)	Oberly	Solarz
Jontz	Olin	Solomon
Kanjorski	Oliver	Spence
Kaptur	Ortiz	Spratt
Kasich	Orton	Staggers
Kennedy	Owens (NY)	Stallings
Kennelly	Owens (UT)	Stark
Kildee	Oxley	Stearns
Kleczka	Packard	Stokes
Klug	Pallone	Studds
Kolbe	Panetta	Sundquist
Kolter	Parker	Swett
Kopetski	Pastor	Swift
Kostmayer	Patterson	Synar
Kyl	Payne (NJ)	Tallon
LaFalce	Payne (VA)	Tanner
Lagomarsino	Pease	Tauzin
Lancaster	Pelosi	Taylor (MS)
Lantos	Penny	Taylor (NC)
LaRocco	Perkins	Thomas (CA)
Laughlin	Peterson (FL)	Thomas (GA)
Leach	Peterson (MN)	Thornton
Lehman (CA)	Pickett	Torres
Lehman (FL)	Pickle	Torricelli
Lent	Porter	Towns
Levin (MI)	Poshard	Trafficant
Levine (CA)	Price	Traxler
Lewis (CA)	Pursell	Unsoeld
Lewis (FL)	Quillen	Upton
Lewis (GA)	Rahall	Vander Jagt
Lipinski	Ramstad	Vento
Lowery (CA)	Rangel	Visclosky
Lowey (NY)	Ravenel	Volkmmer
Luken	Ray	Vucanovich
Machtley	Reed	Walker
Manton	Regula	Walsh
Markey	Rhodes	Washington
Marlenee	Richardson	Waters
Martin	Ridge	Waxman
Martinez	Riggs	Weiss
Matsui	Rinaldo	Weldon
Mavroules	Ritter	Wheat
Mazzoli	Roberts	Whitten
McCandless	Roe	Williams
McCloskey	Roemer	Wilson
McCollum	Rogers	Wise
McCrery	Rohrabacher	Wolf
McCurdy	Ros-Lehtinen	Wolpe
McDade	Rose	Wyden
McDermott	Rostenkowski	Wylie
McEwen	Roth	Yates
McGrath	Roukema	Yatron
McHugh	Rowland	Young (FL)
McMillan (NC)	Roybal	Zeliff
McMillen (MD)	Russo	Zimmer

## NAYS—30

Allard	Crane	Holloway
Archer	Dannemeyer	Inhofe
Armey	DeLay	Johnson (TX)
Baker	Doolittle	Lightfoot
Barrett	Duncan	Livingston
Barton	Gallegly	Long
Burton	Hansen	Nichols
Combest	Hayes (LA)	Petri

Schaefer	Stenholm	Valentine
Sensenbrenner	Stump	Weber
NOT VOTING—8		
Campbell (CA)	Lloyd	Thomas (WY)
Hatcher	Paxon	Young (AK)
Jenkins	Schulze	

□ 1610

Mr. ROHRBACHER and Mr. PACKARD changed their vote from "nay" to "yea."

So the bill was passed.

The result of the vote was announced as above recorded.

The title of the bill was amended so as to read: "A bill to provide a program of emergency unemployment compensation, and for other purposes."

A motion to reconsider was laid on the table.

## GENERAL LEAVE

Mr. ROSTENKOWSKI. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks and include therein extraneous material on H.R. 3575, the bill just passed.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Illinois?

There was no objection.

## REQUEST TO EXTEND DEBATE ON H.R. 2094, FEDERAL DEPOSIT INSURANCE CORPORATION IMPROVEMENT ACT OF 1991

(Mr. SOLOMON asked and was given permission to address the House for 1 minute, and revise and extend his remarks.)

Mr. SOLOMON. Mr. Speaker, I rise to clarify the rule which brought the banking bill to the floor yesterday, at which time we had 1 hour of general debate. We then took up a 10-minute en bloc amendment which was successfully passed by the House. We are now about to resolve ourselves back into the Committee of the Whole to take up the en bloc amendment of the gentleman from Ohio [Mr. WYLIE]. After all debate time has expired and, because of the seriousness of this bill, I think it would behoove the House to be able to hear the majority leader, the gentleman from Missouri [Mr. GEPHARDT], and the minority leader, the gentleman from Illinois [Mr. MICHEL], sum up, after either the successful passage or failure of the Wylie amendment, the bill before us.

Mr. Speaker, if there would be no objection to that, I would at the appropriate time make a unanimous consent request to extend debate for 10 minutes, to be equally divided between the majority leader and the minority leader so that the bill could be explained at the end of all debate time.

Mr. DINGELL. Mr. Speaker, reserving the right to object, I would make a couple of observations.

First, I have enormous respect and affection for the gentleman from New York [Mr. SOLOMON], my good friend, as he well knows. Second, I have enormous respect and affection for the leadership on both sides of the aisle, and I follow the leadership on this side of the aisle whenever it is possible.

Regrettably I would observe that that simply gives 10 minutes to the proponents of the amendment. I do not believe that is consistent with the procedures that have been set forth by the Committee on Rules.

Mr. Speaker, I, therefore, object.

The SPEAKER pro tempore (Mr. MONTGOMERY). Objection is heard.

## FEDERAL DEPOSIT INSURANCE CORPORATION IMPROVEMENT ACT OF 1991

The SPEAKER pro tempore. Pursuant to House Resolution 277 and rule XXIII, the Chair declares the House in the Committee of the Whole House on the State of the Union for the further consideration of the bill, H.R. 2094.

□ 1613

## IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill (H.R. 2094) to require the least-cost resolution of insured depository institutions, to improve supervision and examinations, to provide additional resources to the Bank Insurance Fund, and for other purposes, with Mr. CARR in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. When the Committee of the Whole rose on Wednesday, November 13, 1991, pending were the amendments en bloc offered by the gentleman from Ohio [Mr. WYLIE].

Under the rule, the gentleman from Ohio [Mr. WYLIE] will be recognized for 30 minutes, and a Member opposed will be recognized for 30 minutes.

Mr. HUBBARD. Mr. Chairman, I rise in opposition to the amendments en bloc offered by the gentleman from Ohio.

The CHAIRMAN. The gentleman from Kentucky [Mr. HUBBARD] will be recognized for 30 minutes.

Mr. WYLIE. Mr. Chairman, I yield 15 minutes to the gentleman from North Carolina [Mr. NEAL] to allocate as he pleases.

The CHAIRMAN. Without objection, the gentleman from North Carolina [Mr. NEAL] will control 15 minutes.

There was no objection.

Mr. WYLIE. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, the Wylie-Neal amendment which is before us right now has three elements. It has full interstate banking and branching, it has a limitation on insurance activities by national banks, and a limitation on

real estate activities by bank holding companies. The interstate banking and branching provisions are identical to those which were in the Vento-Bereuter compromise provision adopted by the House on a vote of 366 to 4.

The savings that will result from interstate banking and branching are best stated in a letter from Secretary Brady which I received today.

DEAR MEMBER OF CONGRESS: A wide range of experts agree that nationwide interstate banking—the cornerstone of the Wylie-Neal amendment—will reduce bank costs by billions of dollars and produce a safer, more efficient banking system.

In the enclosed letter, Lowell Bryan, the banking expert at the McKinsey & Company consulting firm, estimates that bank costs would go down by \$10 billion per year.

In a CBO-sponsored study, Professor David Humphrey of Florida State University concludes that banks will pass most of the cost savings on to their customers.

These billions in cost savings will mean more bank loans to businesses and consumers at lower rates.

The Administration strongly urges you to support the Wylie-Neal amendment.

Sincerely,

NICHOLAS F. BRADY.

Mr. Chairman, the insurance part of our amendment also is not new. Basically the same provisions were included in the Committee on Banking, Finance and Urban Affairs and the Committee on Energy and Commerce reported bills. Our amendment would close the so-called Delaware loophole which would allow a State-chartered bank in Delaware to sell insurance in any State other than Delaware, and it would close the loophole which would allow banks to sell insurance nationwide through offices located in towns with populations of 5,000 or less. A letter from the banking industry, I fear, has caused a misunderstanding in this regard. My amendment still would allow banks to sell insurance in towns of 5,000 or less and in contiguous rural areas, but it would not allow Citicorp to sell insurance in Los Angeles, Dallas, and Boston from a bank located in a town of 5,000 or less. Our amendment closes a loophole that was never intended by Congress.

Mr. Chairman, our amendment would not require banks to divest if they are already in the insurance business. Contrary to the information being spread, the amendment would in no way affect the ability of a State to authorize its own State-chartered banks to engage in insurance sales activity within that State.

The third part of our amendment would, simply stated, say that Congress will decide whether bank holding companies should be able to get into the real estate business. In 1987, the Federal Reserve put out for comment a rule that would have allowed bank holding companies to become involved in the direct investment of real estate. The real estate market went sour, as we know, and the proposal was shelved.

But it is still on the shelf and can be taken off at any time. One of the causes of the S&L debacle was massive direct investment in real estate by savings and loans. I think that this is one of those amendments that we would look back on years from now and say, "I'm glad I voted for that amendment because it saved the taxpayers a lot of money."

What our amendment does is prohibit the Federal Reserve from further expanding the real estate authorities or powers of bank holding companies without Congress acting.

Mr. Chairman, I urge adoption of the Wylie-Neal amendment.

Mr. HUBBARD. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, just 10 days ago, on November 4, the House overwhelmingly rejected a banking reform bill. The final vote, my colleagues will recall, was yes: 89, no: 224.

□ 1620

Then our House Banking Committee, led by our distinguished chairman, the gentleman from Texas [Mr. GONZALEZ] went back to work. H.R. 2094, a narrow, simple bill to recapitalize the bank insurance fund of the Federal Deposit Insurance Corporation and to provide for more regulations on our banks, was introduced. The bill was passed by the House Banking Committee by a vote of 37 to 15 without amendments.

Now comes this major, controversial, complex amendment introduced by two of our friends on the Banking Committee and approved by the Committee on Rules which, if passed today—and remember that I predicted this at 4:20 this afternoon—if this amendment passes, the bill will be defeated this afternoon, and we will for the second time have failed this year in this Congress to recapitalize the bank insurance fund.

Mr. Chairman, there are parts of the Wylie-Neal amendment which I support, but we must recapitalize the Federal Deposit Insurance Corporation before we adjourn for the year in 1991, and that is just a few days away, no later than the Tuesday before Thanksgiving.

Let me emphasize this: There is no compromise possible today which will please all of our friends with their competing interests on this Wylie-Neal amendment. That is right, I say to my colleagues, there is no way to satisfy simultaneously the National Association of Realtors, the Securities Industry Association, the American Bankers Association, the Independent Bankers Association of America, and my own constituent, my friend, R.C. Riley of Benton, KY, who just happens to be the nationwide president of the Independent Insurance Agents of America, a significant competing industry and an industry which supports the amendment.

Mr. Chairman, the last effort to satisfy the competing powers and the lobbyists was, I repeat, met with a vote of yes, 89, no, 324. If we want a result similar to that on this bill, then we will, of course, support the Wylie-Neal amendment.

Mr. Chairman, I urge rejection of the amendment.

Mr. NEAL of North Carolina. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, we are here today because there is a problem. The administration is asking for \$70 billion because the banking industry is in trouble.

Some folks are arguing for a so-called narrow bill. They are saying, "Just give the administration this money. Don't do anything much to clean up the problem. Just give them the money and forget about it."

But that is a mistake. We have an opportunity here, a limited opportunity, I will agree, to improve the system, because, as the gentleman from Ohio [Mr. WYLIE] pointed out, some estimates say that we can help it build up to \$10 billion worth of capital that can be there as a buffer against the taxpayer bailout. That is what this amendment is all about.

The heart of this amendment, the interstate portion, the portion that would save all the money, passed this House by a vote of 366 to 4. That is what I am arguing for.

Mr. Chairman, I yield 2 minutes to a very distinguished member of the Democratic leadership, the gentleman from California [Mr. FAZIO].

Mr. FAZIO. Mr. Chairman, I support the passage of the Wylie-Neal amendment and I will support final passage of H.R. 2094.

This amendment advances two interests of paramount importance to me.

First, I strongly believe in the interstate branching provisions. America's banks must be able to compete in the international marketplace. We need a strong and vibrant financial system. Interstate branching, as established by the Wylie amendment, is the best way to enable the banking industry to become more efficient and more competitive.

Second, it is critically important that the issuance provisions of the Wylie amendment be adopted by this House. They are carefully drawn to ensure that States have the right to decide whether banks should be able to sell insurance to their citizens.

My own State has decided that banks should be able to sell insurance and my State's bankers—small and large—support this bill. But, other States have decided differently and their decision should be respected by the Federal Government and by their sister States.

Mr. Chairman, it is not enough that the Wylie amendment be adopted. It is equally important that this bill succeed on final passage.

We must provide the funds to protect every American family that has its money in an FDIC-insured bank.

We must move forward on a broad approach to banking reform.

We must demonstrate to the American people that Congress can live up to its responsibilities. We have to do our job and move this to conference. We have to fund the bank insurance fund.

Failure today would accomplish nothing. I hear—and I understand—the arguments of those who say that this bill could be improved. Obviously—but it seems that will have to wait for another day to do that.

This is the bill we have produced. This is the bill that we need. And, this is the bill that we must enact.

I urge my colleagues to support the Wylie-Neal amendment and to support final passage.

Mr. WYLIE. Mr. Chairman, I yield 3 minutes to the gentleman from New York [Mr. LENT].

Mr. LENT. Mr. Chairman, I rise in strong support of the Wylie-Neal amendment.

In addition to incorporating the nationwide banking and branching provisions of title III of H.R. 6, which this House approved last week, Congressman WYLIE's amendment includes the provisions of the Hayes insurance amendment which I previously supported. These provisions were originally reported by the Energy and Commerce Committee and were also a part of both the Dingell-Gonzalez compromise and the Wylie motion to recommit H.R. 6. Specifically, these provisions will prevent banks from engaging in unlimited insurance activities beyond a State's borders without the legislative authorization of each individual State.

The Wylie amendment also correctly clarifies congressional intent regarding the geographic scope of a national bank's ability to sell insurance by narrowing it to a town of 5,000.

The amendment also limits the ability of banks to get into the real estate business, a provision your local real estate brokers and agents strongly support.

These provisions are very important parts of this banking reform legislation.

This legislation will help bring the national crisis that has been developing in the financial services industry to an end.

I urge my colleagues to support this amendment.

Mr. HUBBARD. Mr. Chairman, I yield 2 minutes to the gentleman from Minnesota [Mr. VENTO], a member of the Committee on Banking, Finance and Urban Affairs.

Mr. VENTO. Mr. Chairman, I rise in opposition to the pending Wylie amendment.

My colleagues may be aware that a major component of the amendment is

the Vento-Bereuter amendment from H.R. 6 which was considered last week. That compromise was successful by an overwhelming vote. The fact of the matter is that we all voted for interstate branching. So if that is not the issue here, what is the issue?

The issue is that this amendment is saddled with other provisions, provisions dealing with insurance, that affect national banks, thousands of national banks across this country, and that is why the American Banking Association which favored my amendment is against this amendment. They are against the amendment because it takes away more than it gives in terms of what is happening. As good as interstate branching may be in some people's minds, this amendment takes away the profitability of banks to provide the opportunity to sustain themselves and to save the taxpayers money.

Second, this amendment puts in a completely unrelated provision which was neither considered nor passed on the House floor, and that is the real estate provision in this Wylie amendment. It puts in a moratorium on real estate activities, freezing banks in the position they are today in exercising real estate activities.

Furthermore, what this amendment does without the context, for instance, of title IV and the firewalls is that it suggests you can have your dessert first.

Mr. WYLIE. Mr. Chairman, will the gentleman yield.

Mr. VENTO. I will not yield at this time. The gentleman has his own time.

Mr. WYLIE. The gentleman made a mistake on the real estate—

Mr. VENTO. I have but 2 minutes, and I will not yield.

The fact of the matter is, it suggests to the banks they can have their chocolate cake right now and eat that first, and they are promising they are going to come back and eat their broccoli and then do banking reform.

□ 1630

The truth of the matter is, that does not work with children, and it is not going to work in this case with these banks and other financial interests. We have to have a balanced bill that deals with all the components. If you provide the sugar this year, you are never going to get the banks to take a reform shot of vinegar next year in terms of truth banking reform.

That is the fault with this Wylie amendment. This issue, the real estate issue, as I said, is a moratorium on real estate activities as of December 31, 1991.

The Wylie amendment we are now considering is a wolf in sheep's clothing. Based on the merits and the momentum of the Vento-Bereuter amendment vote, the proponents of this package are now trying to claim a political victory for a questionable policy, which, in fact, would hurt, not help, banks.

What the administration and their advocates choose to ignore in pursuing this strategy is the complex nature of bank reform. The components of any legislative package are inter-related. We must craft a balanced proposal and not treat banking reform like a menu from a Chinese restaurant selecting something from column A and something worse from column B. This will result in more than indigestion.

In its blind pursuit to attain a political success, the administration and the supporters of the pending amendment have turned their backs to the issue of bank profitability and the safety and soundness of the insurance fund. The advocates have blindly courted and done the bidding of interest groups who, in fact, have contradictory goals to that end. The result is an illogical policy which takes one step forward and two steps backward.

Unfortunately, for the banks and their ultimate success or failure, the pending Wylie amendment is a two-edged sword. The amendment provides some banks with the prospect of significant savings through the consolidation and the diversification that will ultimately result from interstate branching and banking as envisioned by the Vento-Bereuter amendment. But on the other hand, the Wylie amendment precludes most banks from insurance sales both on an interstate and intrastate basis. Mr. Chairman, major banks across the Nation have sold insurance for over 50 years. Retail insurance sales pose no risks to banks or the deposit insurance fund. In fact, such insurance activities have helped those banks to survive difficult periods. Nor has this bank power forced independent insurance agents into extinction. Yet this amendment seeks to undercut and make such a power inoperable for almost all the banks across this Nation. The failure of the Wylie amendment is not only what it includes but also what it omits. If we are to enact comprehensive financial institutions reform, we cannot ignore the very real issue and the impact of the Federal Reserve Board's deregulation of banks in the securities market. This deregulation and further steps by the regulators represent a very real threat to the safety and soundness of the bank insurance fund to which we are making a \$70 billion loan in this legislation. Strong steps are needed to ensure that protections are in place for the American consumer and taxpayer. It is ironic that in the rush to close insurance sales to banks, the administration refuses to address the myriad of loopholes that its regulators have created in the past and will continue to expand in the future. The passage of this amendment will make it impossible to deal with that subject today or in this Congress next year or for years to come.

Mr. Chairman, the pending amendment is not comprehensive reform. It is a hollow shell. The positive reforms that Members have referred to regarding early intervention, limits on foreign deposits and least cost resolution are not in the Wylie amendment. Therefore, I must urge my colleagues to oppose the Wylie amendment and to approve H.R. 2094 as it now stands. Surely, we can regroup at a later date to deal with comprehensive bank reforms both interstate banking and branching and the exercise of nontraditional banking powers by banks.

The need to recapitalize the bank insurance fund is urgent and the noncontroversial re-

forms in the bill at this point are essential. They should not be sidetracked or held hostage to the demands of the special interests represented so vividly in the Wylie amendment.

I urge my colleagues to reject the Wylie amendment.

Mr. WYLIE. Mr. Chairman, might I inquire of the situation on the time?

The CHAIRMAN. The gentleman from North Carolina [Mr. NEAL] has 12 minutes, the gentleman from Ohio [Mr. WYLIE] has 10½ minutes remaining and the gentleman from Kentucky [Mr. HUBBARD] has 25 minutes remaining.

Mr. HUBBARD. Mr. Chairman, I yield 4 minutes to the gentleman from Massachusetts [Mr. MARKEY].

Mr. MARKEY. Mr. Chairman, I thank the gentleman for yielding.

Mr. Chairman, real estate, banking, insurance, securities. Special interests, all. Make no doubt about it. There is only one special interest, however, that has been the driving force in bringing this bill out here on the floor today, and that is the American taxpayer, because he and she are being asked to pick up the tab for \$70 billion because of the poor investment decisions of the bankers in the 1980's.

Now the Wylie amendment comes to us. It says, well, we want to protect you against banks in the insurance industry. We want to protect you against banks in the real estate industry. But we are going to allow regulators let banks into securities. That is like saying we are going to keep you away from the quarter slot machines, but that roulette table over there where you can still roll a double or nothing in the securities marketplace—no safeguards, no protection—just allow these two things to be merged.

Mr. Chairman, it would be one thing if there was a real amendment out here that was going to build that firewall between the taxpayer and this incredible financial catastrophe which we are being asked to bail out here on the floor today and next week, \$80 billion for the S&L's next week, \$150 billion between the two for the week for the Congress to be voting for these two industries. By the way, that is eight times all of the health care we are going to vote on this year for the American public. That is six times housing. That is four times education.

Unfortunately the American public in the 1980's became the unwitting co-signatories on every junk bond deal, on every hostile takeover, on every empty commercial real estate tower, on every empty condo that was built in America. And that bill comes due today on the floor, and we are going to pay for it. Not us, the Congress, but the American taxpayer.

Now, let us talk about these numbers, because we are always beating our own breasts about how we deserve some of the blame for the \$3 trillion Federal deficit.

Mr. Chairman, let me throw out another number for Members; \$9 trillion is owed by the private sector; \$9 trillion was not paid back.

Now, all debt is not bad debt. There is no question about that. Some of it is good debt. You loan out money to a first-time home buyer: good debt. You loan out money so a family can put their kids through school: good debt. You loan out money so you can give a corporation the opportunity to invest in research and development so they can create jobs in this society: good debt.

We are not paying back that money today. We are paying back the junk bonds, we are paying back the hostile takeovers, we are paying back every one of these ridiculous investments which the bankers got into.

They come in here and say the only way out is for us to get out into even more risky activities with no safeguards and no protections.

Wylie does not give safeguards and protections. This bill on final passage does not give protection or safeguards against the repetition next year and the year after and the year after, \$150 billion every single year, \$1 trillion. All the hopes and all the dreams of all the people in this country over the next decade, the health care, the housing, the transportation, the corporate investment.

Mr. Chairman, that is what this debate is all about, and that is what we should be debating out here on the floor.

Mr. Chairman, by the way, if any Many are wondering whether or not we are going to ever have a financial institution in the top 20 in the world, do not worry: the RTC is already the second largest financial institution in the world, and growing.

Vote on no final passage. Without safeguards, none of this legislation deserves the vote of any Members in this Chamber.

Mr. WYLIE. Mr. Chairman, the gentleman made an excellent speech, but may I suggest it had nothing to do with the amendment before us right now.

Mr. Chairman, I yield 3 minutes to the gentleman from Iowa [Mr. LEACH].

Mr. LEACH. Mr. Chairman, I thank the gentleman for yielding.

Mr. Chairman, I would just like to address one issue at this moment, and that is whether or not this bill and the Wylie amendment in particular facilitates or prescribes interstate banking.

Frankly, in effect it does a little bit of both. But most of all it provides standards for what is already taking place.

Whether this Congress passes this amendment, this bill, interstate conglomeration is occurring because of what the private sector is doing, not because of what Congress may or may not propel through legislation.

Mr. Chairman, I am, personally, a Member that is not enthusiastic about

interstate banking, but I believe that in the event it occurs, and because it is occurring, it is crucial that a too-big-to-fail syndrome not become a much-too-big-to-fail syndrome. Therefore, this Congress has an obligation to establish reasonable banking standards.

The most responsible standard is a capital standard. That is included in the Wylie amendment. Without the Wylie amendment, we will have interstate banking without adequate attention to capital. With the Wylie amendment we will have a minimum national standard that has some hope of saving the taxpayers a great deal of money.

Mr. Chairman, I think personally it is key that banks be given every incentive to be banks, that is, to be lending institutions. Hence, it is key that we establish a capital standard so that they do not simply use taxpayer-depositor resources to leverage themselves instead of making loans to commercial enterprises.

Therefore, this amendment has the implication of providing protection for smaller banks, protection for the taxpayers, and protection for the economy at large.

Mr. Chairman, there are the concerns that matter most at this particular time. I do not like all parts of the Wylie amendment, but I will say, unless this Congress passes a capital standard, we will be turning our back on prudential banking reform.

Mr. Chairman, a capital standard is not a perfect standard, but it is the one protection that truly matters.

Mr. HUBBARD. Mr. Chairman, I yield 2 minutes to the distinguished gentleman from New York [Mr. LAFALCE], a member of the Committee on Banking, Finance and Urban Affairs.

Mr. LAFALCE. Mr. Chairman, let me clear up one misconception: when we deal with the RTC legislation, we are in fact dealing with a taxpayer bailout. When we deal with the recapitalization of the BIF, we are dealing with a situation where the banks, through assessments, must pay back this loan.

Mr. Chairman, it could conceivably turn into a bailout if we do not do something to rationalize the industry, to modernize the industry. That is what would have happened had we passed the bill reported out by the House Committee on Banking, Finance and Urban Affairs.

Now, on the Wylie amendment, I have very mixed emotions, because I strongly favor interstate banking and branching. In 1986 I introduced a bill reported out of the House Committee on Banking, Finance and Urban Affairs that would have accomplished this. Unfortunately, we could not get it passed, and we wound up with regional compacts excluding certain States from engaging in interstate banking activity.

Mr. Chairman, I would love to vote for the interstate provisions. There are a couple of difficulties, however.

First of all, while I do think we should have capital standards, I think that capital standards are much too excessive and really prohibits virtually every bank in the country from participating in interstate banking. Only a few could.

Mr. Chairman, we are making the same mistake in this amendment that we did with the capital standards of the FIRREA legislation. We engaged in overkill.

Second, we have added too much in the way of restrictions to the interstate. I speak most specifically now of insurance and real estate, but especially insurance.

What the law with respect to bank activity in the insurance field should be is very controversial. Assume, however, that the restrictions the gentleman from Ohio [Mr. WYLIE] called for, are justified and have merit.

□ 1640

Then they should be applicable to all. But this amendment does not make them applicable to all. It grandfather certain institutions in certain States. And so if they are an institution in one of 18 States, they will be able to carry on in future any activity involving insurance that they are presently engaged in. But if they are an institution in any one of the other 30-plus States, they will be prohibited.

We have a war between the States in this amendment. We have unfair competition. The amendment should be rejected.

Mr. NEAL of North Carolina. Mr. Chairman, I yield 1 minute to the distinguished senior Representative, the gentleman from Texas [Mr. PICKLE].

Mr. PICKLE. Mr. Chairman, this Congress must act to enable the FDIC to make good on the promise of deposit insurance. We should support this bill and pass it.

I also rise in support of the Wylie amendment, which I believe strikes a sensible balance between the need to let banks into new areas, while also promoting a vibrant and competitive insurance sector for consumers. When the bank reform bill was before us last week, I was disappointed that we were presented with the choice of either curbing banks' securities powers and keeping them out of the insurance sector or retaining banks' securities powers and allowing banks further into insurance. That was not, in my judgment, a balanced choice, but it was a choice we had to make.

With some regret, I therefore voted to strip title IV from H.R. 6, because I believe that we should not severely restrict banks' existing authority in securities. I was reluctant, however, to expand the ability of banks to get into the insurance industry because of potential competitive problems posed by banks tying the purchase of, for example, car insurance to the approval of a car loan.

The Wylie amendment which we consider today presents us with a better choice. It allows banks to engage in interstate branching unless States pass a law to opt-out. It does not curb banks' current authority in securities. But it does not allow banks further into the insurance real estate business. This amendment gives banks the chance to get into more profitable lines of business that do not pose risks to the deposit insurance fund. We must take responsible action to modernize the financial system while retaining strong regulatory supervision. This bill, with the Wylie amendment, does so in a reasonable way. I urge the passage of the amendment.

Mr. WYLIE. Mr. Chairman, I yield 30 seconds to the gentleman from California [Mr. DREIER].

Mr. DREIER of California. Mr. Chairman, I thank the gentleman for yielding time to me.

I would like to ask the gentleman from Ohio if subtitle B of his amendment would negatively impact proposition 103 that was passed in my State of California. The grandfather provisions of your amendment indicate that existing interstate sales activities would not be grandfathered if subject to pending litigation on June 1, 1991. Specifically, I would like to know if it is the gentleman's intent to have the grandfather provisions of subtitle B apply to California institutions even though a certain amount of litigation was still lingering around proposition 103 on that June 1, 1991, date?

Mr. WYLIE. Mr. Chairman, I yield myself 30 seconds.

Mr. Chairman, it is my intent that subtitle B's grandfather provisions concerning interstate sales should apply to States like California where an insurance law has been passed either legislatively or otherwise prior to May 1, 1990, even if the law may be still subject to lingering litigation or was subject to lingering litigation on June 1, 1991. It is my intent that all California institutions engaged in interstate sales of insurance products as of June 1, 1991, would have this insurance activity or functionally equivalent activities grandfathered regardless of lingering challenges to the proposition 103 ballot initiative. As the gentleman is aware, I was prepared to offer a technical modification to my amendment today in order to clarify this issue but was told that such a modification may face an objection. The language I was prepared to offer was agreed to by both the insurance agents and the bankers. In any event, I believe that this is a technical matter and we can clean it up at a later date.

Mr. HUBBARD. Mr. Chairman, I yield 1 minute to the distinguished gentleman from Texas [Mr. SARPALIUS].

Mr. SARPALIUS. Mr. Chairman, it is just 40 more days and Christmas will be

here. Boy, are we talking about a Christmas tree, one that is full of a little bit of everything. Unfortunately, at the bottom of this tree is a bunch of trash.

One of the biggest problems with this bill is what it does with interstate banking, what it can do to rural America throughout this country. If we can imagine a little small town that has a little rural bank that loans money to farmers and to small businesses in that community and reinvests every little dollar they can back into that community.

We are talking about big banks coming in, putting in little branch banks, sucking the money out, taking it, investing it on the Japanese stock market or whatever.

I urge my colleagues to vote against the Wylie amendment and to vote against the final passage of this bill.

Mr. HUBBARD. Mr. Chairman, I yield 1 minute to the distinguished gentlewoman from Illinois [Mrs. COLLINS].

Mrs. COLLINS of Illinois. Mr. Chairman, I thank the gentleman for yielding time to me.

Mr. Chairman, I must oppose this amendment.

I do this somewhat reluctantly, because the amendment before us includes several insurance provisions which I originally developed when the Subcommittee on Commerce, Consumer Protection, and Competitiveness considered this legislation back in September. These provisions address when banks can sell insurance across State lines and in small towns. They are fine.

But several other provisions adopted by our subcommittee relating to insurance were dropped. They were strong consumer protection provisions. One prohibited banks from making a loan commitment conditional on buying insurance from the bank. Another required banks to give customers full disclosures when selling insurance products that were not covered by Federal deposit insurance. Another protected the confidentiality of consumer records.

For some reason unknown to me, these crucial proconsumer provisions were left out of the Wylie amendment. When it comes to insurance matters, all the Wylie amendment does is protect the insurance industry. It in no way protects the consumer.

This inequity is all the more lopsided because the Wylie amendment allows for interstate branching. It expands the powers of banks across State lines, but it doesn't include counterbalancing regulatory protections. It gives the unelected regulators the key to the National Treasury and tells them to help themselves to taxpayers' money in the form of bailouts year after year after year.

Vote down this amendment and this \$70 billion backbreaking bailout bill.

Mr. LAFALCE. Mr. Chairman, I make the point of order that a quorum is not present.

The CHAIRMAN. Evidently a quorum is not present.

Members will record their presence by electronic device.

The call was taken by electronic device.

The following Members responded to their names:

## [Roll No. 397]

Ackerman DeLay Horn  
Alexander Dellums Horton  
Allard Derrick Houghton  
Allen Dickinson Hoyer  
Anderson Dicks Hubbard  
Andrews (ME) Dingell Hughes  
Andrews (NJ) Dixon Hunter  
Andrews (TX) Donnelly Hutto  
Annunzio Dooley Hyde  
Anthony Doolittle Inhofe  
Applegate Dorgan (ND) Ireland  
Arney Dornan (CA) Jacobs  
Atkins Downey James  
AuCoin Dreier Johnson (CT)  
Bacchus Duncan Johnson (SD)  
Baker Durbin Johnson (TX)  
Ballenger Dwyer Jones (GA)  
Barnard Dymally Jones (NC)  
Barrett Early Jontz  
Barton Eckart Kanjorski  
Bateman Edwards (CA) Kaptur  
Bennett Edwards (OK) Kasich  
Bentley Edwards (TX) Kennedy  
Bereuter Emerson Kennelly  
Bevill Engel Kildee  
Billbray English Kleczka  
Billrakis Erdreich Klug  
Blackwell Evans Kolbe  
Bliley Ewing Kolter  
Boehlert Fasoell Kopetski  
Boehner Fawell Kostmayer  
Bonior Fazio Kyl  
Borski Feighan LaFalce  
Boucher Fields Lagomarsino  
Boxer Fish Lancaster  
Brewster Flake Lantos  
Brooks Foglietta LaRocco  
Broomfield Ford (MI) Laughlin  
Browder Ford (TN) Leach  
Brown Franks (CT) Lehman (CA)  
Bruce Frost Lehman (FL)  
Bryant Gallegly Lent  
Bunning Gallo Levin (MI)  
Burton Gaydos Levine (CA)  
Bustamante Gajdos Lewis (CA)  
Byron Gekas Lewis (FL)  
Callahan Gephart Lewis (GA)  
Camp Geren Lightfoot  
Campbell (CO) Gilchrist Lipsink  
Cardin Gillmor Livingston  
Carper Gilman Long  
Carr Gingrich Lowery (CA)  
Chandler Gonzalez Lowery (NY)  
Chapman Goodling Luken  
Clay Gordon Machtley  
Clement Goss Manton  
Clinger Gradison Markey  
Coble Grandy Marlenee  
Coleman (MO) Green Martin  
Coleman (TX) Guarini Matsui  
Collins (IL) Gunderson Mavroules  
Collins (MI) Hall (OH) Mazzoli  
Combust Hall (TX) McCandless  
Condit Hamilton McCloskey  
Conyers Hammerschmidt McCollum  
Cooper Hancock McCrery  
Costello Hansen McCurdy  
Coughlin Harris McDade  
Cox (CA) Hastert McDermott  
Cox (IL) Hayes (IL) McEwen  
Coyne Hayes (LA) McGrath  
Cramer Hefley McHugh  
Crane Hefner McMillan (NC)  
Cunningham Henry McMillan (MD)  
Dannemeyer Henger McNulty  
Darden Hoagland Meyers  
Davis Hobson Mfume  
de la Garza Hochbrueckner Michel  
DeFazio Holloway Miller (CA)  
DeLauro Hopkins Miller (OH)

Miller (WA) Rangel  
Mink Ravenel  
Moakley Reed  
Molinari Regula  
Mollohan Rhodes  
Montgomery Richardson  
Moorhead Ridge  
Moran Riggs  
Morella Rinaldo  
Morrison Ritter  
Murtha Roberts  
Myers Roe  
Nagle Roemer  
Natcher Rogers  
Neal (MA) Ros-Lehtinen  
Neal (NC) Rose  
Nichols Roth  
Nussle Roukema  
Oakar Rowland  
Oberstar Roybal  
Obey Sabo  
Olin Sangmeister  
Olver Santorum  
Ortiz Sarpalius  
Orton Savage  
Owens (NY) Sawyer  
Owens (UT) Saxton  
Oxley Schaefer  
Packard Schiff  
Pallone Schroeder  
Panetta Schumer  
Parker Sensenbrenner  
Pastor Serrano  
Patterson Sharp  
Payne (NJ) Shaw  
Payne (VA) Shays  
Pease Shuster  
Pelosi Sikorski  
Penny Sisisy  
Perkins Skaggs  
Peterson (FL) Skeen  
Peterson (MN) Skelton  
Petri Slattery  
Pickett Slaughter  
Pickle Smith (IA)  
Porter Smith (NJ)  
Poshard Smith (OR)  
Price Smith (TX)  
Pursell Snowe  
Quillen Solomon  
Rahall Spence  
Ramstad Spratt

Staggers  
Stallings  
Stearns  
Stenholm  
Stokes  
Studds  
Stump  
Sundquist  
Sweet  
Swift  
Synar  
Tallon  
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Taylor (MS)  
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Thomas (CA)  
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Trafigant  
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Valentine  
Vander Jagt  
Vento  
Visclosky  
Volkmmer  
Vucanovich  
Walker  
Walsh  
Washington  
Waters  
Weiss  
Weldon  
Wheat  
Whitten  
Wilson  
Wise  
Wolf  
Wolpe  
Wyden  
Wylie  
Yates  
Yatron  
Young (FL)  
Zeliff  
Zimmer

get our banks back in the business of making sound loans.  
But this amendment does nothing—nothing at all—to protect small businesses and working families—black and white, rural and urban—from the voracious appetites of huge banks that want to expand across State lines.

Just look at what is happening across America. Large interstate banks are sucking deposits from Main Street, shipping them to Wall Street, and saying "tough luck" to small businesses and families trying to own a home. One large regional bank bought \$18 billion—that is billion—worth of junk bonds and T-bills on Wall Street. And guess where they got the money from? From small towns in Texas. In the little town of Victoria, TX, that bank took \$188 million in deposits, but only made \$33 million in loans.

In our cities, too, big banks are taking too much, and giving too little. Particularly in communities of color, branches have been shut and loan officers laid off. Instead of speaking with their friendly neighborhood banker about a home loan or a school loan, residents only get the steely stare of an automatic teller machine. They can put money in, but they cannot get any loans out. No wonder minorities in this country are 2 to 4 times more likely to be turned down for a home loan than whites of the same income—there are no bankers to understand their credit needs.

The bottom line is that this amendment fails to ensure that small businesses and young families receive their fair share of credit. It's just a deal that's been cut, and ordinary Americans have been cut out.

Mr. Chairman, I say to my colleagues, if you want your small towns and neighborhoods to be sucked dry of credit and turned into economic disaster areas, then vote for this amendment. And if you want to see banks replaced by ATM's in cornfields and on street corners, then vote for this amendment. But if you want to make sure that working people are not pickpocketed by big interstate banks, if you want to see that everyone in this great country gets a fair shot at owning a home or sending a child to college, then I urge you to oppose this amendment. It treats taxpayers like nothing but turkeys at the bankers' Thanksgiving feast. Let us vote down this amendment, vote down this bill, and put together a bill that treats taxpayers like the honored guests they deserve to be.

## □ 1710

Mr. NEAL of North Carolina. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, the gentlemen from Massachusetts said something about junk bonds.

I just want to make it clear that banks cannot buy junk bonds. Under

## □ 1705

The CHAIRMAN (Mr. CARR). Three hundred ninety-five Members have answered to their names, a quorum is present, and the Committee will resume its business.

The Chair would announce that there are approximately 35 minutes of debate time remaining. The gentleman from Kentucky [Mr. HUBBARD] has 17 minutes remaining, the gentleman from North Carolina [Mr. NEAL] has 11 minutes remaining, and the gentleman from Ohio [Mr. WYLIE] has 7½ minutes remaining.

Mr. HUBBARD. Mr. Chairman, I yield 3 minutes to our distinguished colleague, the gentleman from Massachusetts [Mr. KENNEDY].

Mr. KENNEDY. Mr. Chairman, I rise in opposition to the Wylie en bloc amendment. It is nothing but a Thanksgiving feast for handpicked guests of the Republican party. And the taxpayer is the turkey.

Now mind you, I have nothing against those guests sitting at the table. I happen to support interstate banking. I support keeping banks out of the insurance industry. And I support limits on bank involvement in high-flying real estate ventures. These changes will help to reduce risk and

any circumstances, banks cannot buy junk bonds, so they do not go to small town America and pick up money and put it in junk bonds. They cannot buy junk bonds.

It is a total myth that banks suck money out of small communities and take it to large communities. It is the genius of our system that money is available throughout our system wherever it is needed. In my own State, we have big banks and we have lots of small banks. We should not legislate on the basis of some mistaken mythology.

Mr. Chairman, I yield 2 minutes to our distinguished colleague, the gentleman from Nebraska [Mr. HOAGLAND].

Mr. HOAGLAND. Mr. Chairman, I would urge at this time that we pass the Wylie amendment. I think it is a major mistake if we do not, and let me tell you why.

First of all, the Wylie amendment allows interstate branching. Now, granted it is somewhat crippled by various provisions, but nonetheless, it allows it.

Interstate branching is going to bring substantial savings to the banking industry, significant new services to the consumer, and if we do not allow interstate branching today on this vote, the chances are it will be 2 years, at least 2 years, and perhaps longer, before we have an opportunity to do this again.

The McFadden Act has not been amended for 58 years. Interstate branching is an idea whose time has come, and gone. It went 20 years ago. It is something we simply need to do.

Now, let me say two things in response to earlier arguments. One of our colleagues indicated that banks are not taking any broccoli in this bill. Chairman GONZALEZ presented an amendment last night, which we adopted, that contains all sorts of broccoli for the banks, a lot of good, toughening regulatory provisions that will require our banks work more carefully, enable the regulators to regulate them more effectively, has, unfortunately, imposed more costs on them.

Second, one of our colleagues talked of the weakness of our banking system as caused by bad loans. Bad loans, Mr. Chairman, are a symptom of the structural problems in the banking industry, not the cause. The fact is that the banks of the seventies and eighties lost their best customers and have had to resort to less creditworthy customers, so it is not a question of bad loans creating the problem. It is a question of significant structural changes taking place out there in the economy generally that have weakened our banks, lessened their market share, resulted in many, many more failures than ever before in our history, and forced this legislation to strengthen banks, therefore averting further failures and making a taxpayer bailout less likely.

So Mr. Chairman, I would urge you to support the Wylie-Neal amendment and then vote for the bill later today.

Mr. WYLIE. Mr. Chairman, I yield 3 minutes to the gentleman from North Carolina [Mr. MCMILLAN].

Mr. MCMILLAN of North Carolina. Mr. Chairman, I rise in support of the Wylie amendment and the bill.

I urge my colleagues to support this en bloc amendment. In North Carolina we have a long history of interstate branching which led to regional branching through interstate compacts. This geographic diversification has contributed greatly to the overall strength of North Carolina's banks and the strength of our State's economy. We now have the third lowest unemployment rate in the United States, with probably the most extensive branches. As larger banks in North Carolina have grown more competitive and profitable in this regulatory climate, old independents have done well. New independent banks have started up and thrived. In fact, it was this competitive strength that allowed North Carolina banks to rescue troubled banks in other States that did not allow geographic or functional diversification. They might have done well in Massachusetts.

At a time when many of our larger banks are merging in an effort to strengthen their operations, interstate branching is especially important for the economy. Interstate branching will allow banks to compete with one another across the country, rather than through a multiplicity of units protected by arbitrary geographic lines, causing weakness. It will allow banks to diversify risks, overcoming a major cause of bank insolvency. It will allow business and consumers a broader choice of financial services at the lowest cost. It will enable banks to attract capital for greater strength.

At the same time, this bill gives each State the right to opt out of interstate branching and impose responsible controls on branch banks located within their borders in the next 3 years. While all but four States have already instituted some form of interstate branching, this bill will allow each State to consider the interstate branching issue at their own speed.

This bill adds no securities powers, no insurance powers, no real estate powers. It imposes no greater risk than exists today.

My colleagues, this is a minimal effort and poses little threat to anyone, and I urge my colleagues to support this amendment.

Mr. HUBBARD. Mr. Chairman, I yield 1 minute to our distinguished colleague, the gentleman from New Mexico [Mr. RICHARDSON].

Mr. RICHARDSON. Mr. Chairman, I urge my colleagues to vote no on final passage. Do not be seduced into thinking that this legislation represents

comprehensive bank reform or a consensus on various issues, because it does not.

We should all recognize this bill for what it is: The mother of all financial bailouts, bailouts without any safeguards, without any protections. And we should realize that this is not merely round II on bank legislation. This financial fiasco will be a 15 rounder, and we should be prepared for the Bush administration to come back again and again, as they did with the S&L's, asking the Congress to pour more and more money into bailouts. Every dollar earmarked for financial bailouts is a dollar not spent on America's other pressing domestic needs.

But, unfortunately, it is money that must be approved to pay off depositors and close insolvent banks. And it is the price our country is now paying for the go-go policies of Republican financial deregulation in the 1980's. So I believe that we should move forward with a narrow bill to recapitalize the bank insurance fund, and go with a moratorium and strengthen certain regulatory practices. These changes are necessary, and it makes sense to move forward with them now.

However, it would be a mistake to approve, at this point, bits and pieces of bank reform to score political points with some groups and abandon all other efforts to deal with bank reform more comprehensively. We should reject this 11th-hour goody-bag that pleases the narrow interests of a few. This bill has no safeguards, no firewalls, no consumer provisions—and yet some are arguing that regardless of what happens on the Wylie amendment, this is a must pass bill. I would say to my colleagues: Do not allow yourselves to be fooled on this vote because the consequences of a \$70 billion blunder and future bailouts are just too big.

The Congress made that mistake once before, in the early 1980's, with Garn-St Germain. Let us not repeat that fiasco. This House can do better than this, and I believe we should pass a narrow bill and then come back and put together a package that will earn the full support of the House from both sides of the aisle.

Mr. HUBBARD. Mr. Chairman, I yield 3 minutes to our distinguished colleague, the gentleman from Delaware [Mr. CARPER].

Mr. CARPER. Mr. Chairman, many of us in this Chamber have decided how they are going to vote on this amendment. Some have not. To those of you who have not, I would like to have 3 minutes of your time.

One decade ago, Members of the House sat in this Chamber and they debated what to do to save Chrysler, which was hemorrhaging, threatening to go under.

Can you imagine as we were debating whether or not to provide Federal loan

guarantees for Chrysler, what if Ford and GM had walked in and said,

Well, look, we don't protest those loan guarantees, but we sure don't want Chrysler to be able to sell minivans until they become profitable.

What if GM and Ford had come in and said,

Well, we don't object to loan guarantees, but what we sure don't want is Chrysler to be able to sell convertibles in towns of 5,000 or less. We don't want them to be able to sell convertibles in certain towns.

Well, we would have laughed them out of Washington, and the reason is clearly GM and Ford would not have been interested in competition. They did not want it. They would not have wanted it from Chrysler.

What did we want? We wanted Chrysler to make a buck to be able to repay the loan guarantees that they used and go on about their business.

Well, Mr. Chairman, we did not tie one arm of Chrysler behind its back a decade ago.

□ 1720

We do not need to tie one arm of the banking industry behind its back today. What is at issue here, my colleagues, is one word: Competition, competition. Under current law, and please follow this, under current law insurance companies can own banks and those banks market their banking products to the insurance company's policyholders all over the country.

Under the Wylie amendment, they will still be able to do that. That is good for the goose.

How about under current law which now, under current law, banks can own insurance subsidiaries; those subsidiaries can sell their insurance products to the bank customers across the country? How about that? That can happen right now under current law. It is a mirror image of the first.

Under the Wylie amendment, that would be prohibited. Why would you say, my friends, what is good for the goose is good for the gander? Under the Wylie amendment, Traveler's, Hancock, USAA, Prudential, Hartford, Allstate, they will all still be able to own their banks and they will be able to do the very opposite of what I think my banks and your banks should be able to do in your State, and that is they should be able to sell across State lines, if other States do not prohibit them. If other States do not opt out, our States should be able to sell insurance across State lines.

Not one bank has ever failed in this country, to my knowledge, because they sell insurance. They make money doing it. It is a profitable business. The consumer groups like it. Consumers actually benefit because of that competition.

If you vote for the Wylie amendment, you tie one arm behind the banking industry's back; you are not fair, you are

anticonsumer, you are anticompetition.

Defeat the Wylie amendment.

Mr. NEAL of North Carolina. Mr. Chairman, I yield 2 minutes to the gentleman from Massachusetts [Mr. FRANK].

Mr. FRANK of Massachusetts. Mr. Chairman, I thank the gentleman from North Carolina.

Nobody is going to be happy voting for this bill. I suspect the best people expect is that some people will vote for this bill with the same enthusiasm that many of us hope some of our constituents will be voting for us in November; cognizant of the faults but nonetheless thinking it is the best they are going to get.

I think that is a fair description of this bill.

The Wylie amendment has been consistently—inconsistently attacked as being too pro and too antibanker.

Mr. Chairman, I am going to vote for the Wylie amendment. I think the restrictions it puts on the banks and the real estate and the insurance industries are both poor public policy and politically inevitable. The banks simply do not have the strength to hold them off, and I do not want to see the legislation forever held up.

I do not think it is realistic for the banks to get into real estate and insurance, not that today the banks are going to be getting into real estate. The notion that anybody is jumping to get into real estate today is a little bit strange. But I think that that is a political necessity.

I do, however, want to focus on what I think is an excellent bill, given the circumstances.

I want to repeat that in this bill people have said there are no safeguards. That is simply wrong.

The gentleman from Texas presided over a process in which we have a bill which restricts brokered deposits, it restricts bank insurance contracts, it mandates early intervention to close banks. People say, "I don't want to vote for another S&L bill." Then do not. This has nothing in common with earlier S&L legislation. This is not a bill giving the banks more power. This is as reasonable an approach as you are going to get.

Mr. Chairman, I am for the amendment of my friend from Ohio. I am going to vote for the final bill one way or another. It has a number of tough regulating reforms.

A final thing I want to say is this: When people talk about a \$70 billion bailout, are they in fact denying our obligation to pay depositors in banks who have failed? Let me remind the Members, the majority of this House voted not to restrict deposit insurance. Some of us wanted to limit deposit insurance. The majority was not to restrict it.

Are you not going to make good on that vote and on that promise?

Mr. HUBBARD. Mr. Chairman, I yield 3 minutes to the gentleman from New York [Mr. SCHUMER].

Mr. SCHUMER. I thank the chairman, the gentleman from Kentucky, for yielding this time to me.

Mr. Chairman, let me say I rise in strong opposition to the amendment.

Mr. Chairman, these bills, the banking bills we voted on, every one of them will not have what is desperately needed in the banking industry, and that is: real reform. What we have to do in the long run is somehow deal with the issue of deposit insurance and what banks can do with the money that they have derived from deposit insurance. Right now that can do so many things that they get themselves in trouble and, as we are learning in these bills, they get the taxpayers in trouble.

But, unfortunately, not the bill last week, not the bill today and not the bill we will do next week if we defeat this bill as we should, when we deal with that issue. However, this bill and the Wylie amendment will stand in the way permanently of ever getting real reform.

I disagree with my colleague from Massachusetts; this does have strong, strong echoes of the S&L crisis in it because with the Wylie amendment, while we are doing a little bit for some of the banks and a little bit for some of the insurance and real estate, we are not preventing the banking regulators from allowing the banks to go into new areas. We are not going to do that this year.

But what we can do is pass a narrow bill that will then allow us to vote on real reform and put together real reform next year.

So, Mr. Chairman, if you vote for this amendment and then vote for final passage, you are putting a dagger in the heart of finally reforming our banking system so we will not have to come back time and time again and vote new recaps.

The amendment, I would say charitably, is a hodgepodge; negatively, I would say it is a cynical amendment, designed to pick up a little support here, a little support there, getting something done and not really getting reform; so, as I believe, some people at the other end of Pennsylvania Avenue can wave a flag and say they have gotten something done even though they have not.

Mr. Chairman, this is not the time to do that. The banking system is in too great a crisis to put together hodgepodge amendments and call them reform. We must either grapple with all of reform, which we can do next year, or pass a very narrow bill with a recap and some of the amendments that Mr. GONZALEZ has put in his bill.

But to go halfway or a quarter of the way and then say we have done our job would be a tragic, tragic mistake.

Mr. Chairman, I urge a vote against the Wylie amendment, and if it should pass, I urge a vote against final passage.

Mr. NEAL of North Carolina. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, Mr. SCHUMER is right, this bill does not do everything that needs to be done. But if we were to reject it for that reason, it would let the perfect be the enemy of the good.

We tried in the Banking Committee to do much more, but we were not able to get it to the floor. This provision, this interstate provision, will let the industry, without harming anyone, make up to \$10 billion more. That goes right to capital, right to reducing the likelihood of a taxpayer bailout.

Mr. Chairman, I yield 2 minutes to the gentleman from Massachusetts [Mr. NEAL].

Mr. NEAL of Massachusetts. I thank the gentleman for yielding.

Mr. Chairman, I stand in support of the Wylie amendment this evening, not because it represents a panacea for the financial ills that plague this Nation but because it helps to restore confidence in the banking system by getting us to go—and “go” is voting to recapitalize the bank insurance fund. That is our fundamental obligation this evening.

Those Members of Congress who come from New England, we know that when the Bank of New England went under, the third costliest bank failure in American history, that all the deposits of our constituents were honored and, in most cases, above \$100,000.

Now, I accept the fact here tonight that there is an element in this House that does not want to vote for anything that relates to the bank insurance fund. The argument that they are going to use is, being intimidated by people back home, is to suggest that somehow you are going to bail out the bankers.

Let me say something right now, and that is simply this: We are voting for one simple initiative, and that is to bail out the depositors and not to bail out the bankers, and we ought not to demagogue this issue any further.

The best vote that came out of that Banking Committee was for the original plan offered by the distinguished chairman, the gentleman from Texas. It was a good bill then, it is a good bill now; it is too bad we do not have that bill in front of us.

We have our last best shot at a decent reform measure; that is the only issue before us this evening, and I urge an affirmative vote on that measure.

□ 1730

Mr. HUBBARD. Mr. Chairman, I yield 4 minutes to the distinguished chairman of the Committee on Energy and Commerce, the gentleman from Michigan [Mr. DINGELL].

Mr. DINGELL. Mr. Chairman, this is a bad amendment. It is a bad bill. I say that without any ill will and without anything other than the greatest respect and affection for all of my colleagues.

Just 1 week ago we passed on three separate occasions amendments requiring safeguards for depositors, for the public, for the investors. This amendment provides none of those. The committee did it on three separate occasions.

Now the bill H.R. 6, failed. There were many reasons why it failed. All of my colleagues know why the bill failed.

The harsh fact of the matter is we are back again. We have here before us a piece of legislation that regrettably embodies no adequate safeguards. Regrettably it embodies something else, a mishmash of things for the banks, things for other interests. This amendment has the same failures. It includes all of the things that are thought to be necessary to secure the support of separate groups in our society that might give the necessary votes.

The way this matter should be addressed, Mr. Chairman, is that we should reject the amendment. We should reject the bill. Then we can do either of two things. We can come back with a bill with adequate safeguards, or we can come back with a short bill and defer until some future time, hopefully early in the spring, an adequate program of achieving necessary reforms and protections.

Mr. Chairman, if my colleagues look, they will find one thing very interesting. Supposedly the amendment before us achieves the support of the banking people. Regrettably it does not. The American Bankers Association, The Independent Bankers, State Banking Associations, the Association of Bank Holding Companies, the Financial Services Council, and the Conference of State Bank Supervisors all oppose the amendment, and they oppose the bill. Interestingly enough, the Consumers Union, the Consumers Federation, the AFL-CIO, the NAACP, they all oppose the amendment and the bill. Obviously something has not been done here as it should have been. Clearly the amendment does not achieve the support of the banks. Clearly the amendment does not achieve the support of the consumers.

It fails another very important test. Many of my colleagues here remember the unfortunate occasion where we passed the savings and loan bailout. The interesting thing about that was we said, “Now the savings and loans, because they have achieved such a terrible mess, we’re going to give them new powers so that they can restore themselves to good health.” So, we gave it to them, and it took them less than 10 years to convert a \$20 billion shortfall in the insurance fund to a \$500 billion shortfall. Imagine what this

country could do if we had not passed that legislation and we had that \$500 billion to spend on matters of importance.

Now some will say, “Oh, we can pass this because we must.” Yes, we must, and we are going to have to pass a bailout or a recapitalization of the fund, and that we should do because that is for the depositors.

But to free up the banks and say, “Banks, go forth, branch all over the place and merge, drain moneys from local communities, have fun, do the same thing that the savings and loans did,” would be a calamitous error.

The harsh fact of the matter is that banks are running around town telling everybody that they are in trouble because of regulation. That is hokey. The banks are in trouble because they practiced poor banking.

Do not free them up and give them more power to practice more bad banking practices across the Nation at great cost to our constituents. Vote this bill down.

Mr. NEAL of North Carolina. Mr. Chairman, that was an excellent speech. It just has nothing to do with this bill.

Mr. Chairman, this bill does not give new powers to banks. The bill that the distinguished chairman of the Committee on Energy and Commerce is talking about is not before us. We passed a bill out of the Committee on Banking, Finance and Urban Affairs. We just never got it to the floor.

The so-called safeguards that the gentleman from Michigan [Mr. DINGELL] wants would limit the ability of banks to do things they are already doing. But let me tell my colleagues: No bank ever failed by offering mutual funds, no bank ever failed by offering discount brokerage services or dealing in safe government securities. Those are the things, the safeguards, the chairman talks about that he wants to impose.

Now there is nothing similar between what is done here with banks and what was done with savings and loans. In the case of this bill we are increasing regulation. We are increasing capital requirements, and the only new thing we are suggesting for banks is essentially a twist on something they are doing already. Forty-eight States now allow interstate banking. We are suggesting that it should be easier to do interstate branching, a more efficient way of doing essentially the same thing.

Mr. Chairman, this is a way of reducing the likelihood of a taxpayer bailout. That is the issue today.

Mr. Chairman, I reserve the balance of my time.

Mr. WYLIE. Mr. Chairman, I yield myself 1 minute.

Mr. Chairman, I want to associate myself with the comments and remarks of the gentleman from North Carolina [Mr. NEAL]. The analogy to

the savings and loan problem is no analogy at all. There is no taxpayer money involved in this bill today. We are providing for a recapitalization, which is absolutely necessary, which is to be paid for by the banking industry itself.

Now I know this is not a perfect bill, but it is certainly much better than the situation we have before us now.

The gentleman from New York [Mr. SCHUMER] mentioned a little earlier that he did not like my amendment, but he liked Mr. Lowell Bryant's proposal as far as core banks are concerned. Mr. Lowell Bryant has written a letter saying that he estimates that bank costs would go down by \$10 billion per year if interstate banking and branching were passed today. I submit there will be large economies of scale, and for that reason alone we ought to pass my amendment.

But we do not increase powers for banks, as the gentleman said. We decrease the powers for banks, if anything.

Mr. HUBBARD. Mr. Chairman, I yield 3 minutes to the gentleman from Georgia [Mr. BARNARD], a very knowledgeable member of the Committee on Banking, Finance and Urban Affairs.

Mr. BARNARD. Mr. Chairman and members of the committee, we have been pursuing passing comprehensive bank reform now for many, many years. The last great bill that addressed banking, and securities and insurance was the Glass-Steagall bill in the 1930's. Much has happened and much has changed since the 1930's. This was the year that we decided that, yes, we needed comprehensive bank reform.

We have had many, many studies that were brought before the Committee on Banking, Finance and Urban Affairs and to this Congress as to why we need reform. We tried valiantly, we tried hard, for a comprehensive banking bill. Unfortunately it did not pass. We have a very different opinion among Members of this Congress as to what comprehensive bank reform is all about.

□ 1740

I am not dismayed that in 1 year we were not able to accomplish something that we tried to accomplish in, say, the last 20 years. I am not dismayed at all. But I think we have made a valiant attempt. But let us not give up at this point. Let us not take something that is second best over something that is the best we can get.

Mr. Chairman, I say to my friends that the Wylie en bloc amendment is not the answer to our problems. There is an answer out there. I feel that we have the ability to work together and accomplish that goal of working together and coming up with comprehensive bank reform which will be modern bank reform. I am not willing to sacrifice something that is less better than what we can get.

Yes, I think we have come a long way in this debate we have heard both sides. I think we are better prepared today than ever before to come together. One of our great Presidents said, "Let us reason together." I think we have laid the foundation for us to come together and work. But this amendment tonight is not the answer, and this is not the time to do it.

Haste does not make anything but waste, and we are going to be wasting the banking industry if we go forth with this bill tonight. I urge my friends, let us go back to the table. Let us go back and reason together. We have time. Yes, we have to accommodate the recapitalization part of the bill, and we have time to do it.

Mr. Chairman, let me say to my friends that there is nothing so great as our service to the country. Even getting out before Thanksgiving is not that great. Someone said we would be here until Christmas. So be it. Our duty is to the country and what is in the best interest of the country, and haste tonight is not in the best interest of our country. I say to the Members we should vote down the Wylie en bloc amendment, vote down this bill, and then let us go back to the drawing table.

Mr. WYLIE. Mr. Chairman, I yield 1 minute to the gentleman from California [Mr. RIGGS].

Mr. RIGGS. Mr. Chairman, I thank the distinguished ranking member for yielding this time to me.

Mr. Chairman, I just simply want to say that there is a wonderful moment at the very end of the musical, "Phantom of the Opera," where the Phantom says, "This is the point of no return." This is the point of no return for bank reform.

We can keep on with this latest version of political corrections, doing a slow waltz to the tune of the special interest groups as we try to write 435 versions of bank reform, or we can do the right thing, the responsible thing, here tonight and pass this legislation, which does, contrary to what the distinguished chairman of the Committee on Energy and Commerce said, contain increased regulatory standards. What does he call these? Increased capital standards. What does he call this? Early intervention. What does he call this? Least costly resolution.

Mr. Chairman, let us do the right thing. Let us not go back to 1986 when this Congress had the opportunity to act on a bill to recapitalize FSLIC but failed to do that and set the stage for a taxpayer bailout of the banking industry. Let us pass this legislation with the Wylie amendment included.

Mr. NEAL of North Carolina. Mr. Chairman, I yield myself one-half minute.

Mr. Chairman, let me point out that our good friend, the gentleman from Georgia [Mr. BARNARD] did not give us

one reason for not passing the bill. He said we could get a better bill, and I agree. I would love to have a better bill, but there is no chance this year that we will get a better bill.

Mr. BARNARD. Mr. Chairman, will the gentleman yield?

Mr. NEAL of North Carolina. No, I will not yield.

Mr. BARNARD. We could have a lot of chances to get a better bill.

Mr. NEAL of North Carolina. I will not yield.

Mr. Chairman, there is no chance this year for a better bill. We should take what we can get at this time and move ahead. We may get more next year.

Mr. Chairman, I yield my final 2 minutes to the distinguished gentleman from Ohio [Mr. WYLIE].

The CHAIRMAN. The gentleman from Ohio [Mr. WYLIE] now has a total of 5 minutes remaining, and the gentleman from Kentucky [Mr. HUBBARD] has one-half minute remaining.

Mr. WYLIE. Mr. Chairman, I understand that I have the right to close; is that correct?

The CHAIRMAN. The gentleman from Ohio [Mr. WYLIE] has the right to close debate.

Mr. WYLIE. Mr. Chairman, I have just one additional speaker.

The CHAIRMAN. The gentleman from Kentucky [Mr. HUBBARD] is recognized for his remaining 30 seconds.

Mr. HUBBARD. Mr. Chairman, I yield myself the balance of my time.

Mr. Chairman, as we have debated this issue this afternoon, obviously Members on the side of the gentleman from Ohio [Mr. WYLIE] and the gentleman from North Carolina [Mr. NEAL] have given us various reasons why they are for the Wylie-Neal approach, and opponents have given us various reasons why they are opposed to it. Speaker after speaker has said that before we go home, however, on November 26 or earlier, we have to recapitalize the Federal Deposit Insurance Corporation. We must do that. We can do that today on final passage, but for heaven's sake, let us defeat the Wylie en bloc amendments because, I repeat, that will cause the entire bill to fail.

Mr. Chairman, I ask the Members to vote no on the Wylie en bloc amendments.

Mr. WYLIE. Mr. Chairman, I yield 5 minutes to our distinguished minority leader, the gentleman from Illinois [Mr. MICHEL], to close debate.

Mr. MICHEL. Mr. Chairman, this is the second time today that we have had a significant piece of legislation on the floor that does not divide on political lines across the aisle. There are proponents and opponents on both sides. I guess that is the way I like it, because it suggests that politics by party is not the overriding thing; it is what we as individuals will do to make up our own minds. And that is a good thing.

The Wylie amendment is a critical component of overall banking reform. The Wylie amendment would allow for interstate banking and branching, an essential step that will allow banks to realize the benefits of geographical diversity and greater efficiency. The Wylie amendment also protects States that do not want interstate banking by providing an opt-out provision.

The United States is the only industrialized country in the world that prohibits regional and national branching, and we are paying a high price for that. Not only does interstate banking lessen the financial risks for one area of the country but it also means efficiency and cost savings for the banking system.

Adoption of the Wylie amendment is an imperative, it seems to me, for getting this piece of legislation passed.

Let us keep in mind that what we are trying to do is to guarantee the security of deposits held in our banks, and the gentleman from Massachusetts a few moments ago made that point so eloquently. That is really what it is all about, and that is the bottom line.

At the same time we are attempting to improve the vitality of our banking system so this type of legislation will not be needed again. We are trying to ensure that taxpayers are not left holding the bag for massive bailouts later on.

Congress cannot just fund the losses of the banking system. We have to fix the underlying problems that caused the losses in the first place. There is not an insurance fund big enough to cover \$3 trillion in deposits if banks continue to fail in record numbers, as they are.

We need to provide the country with a strong, safe banking system, one that pumps credit into businesses, one that funds economic growth and new jobs, and one that allows our banks to compete with foreign banks.

Real reform means fixing the too big to fail doctrine that today puts the FDIC on the hook for every uninsured depositor in big banks. This bill makes that fix.

Reform means mandatory annual examinations for every bank in this country. This bill does that.

Reform means early intervention with failing banks and a new regulatory system of "prompt corrective action," one that requires regulators to make banks fix their problems before they mushroom into deposit insurance losses. This bill accomplishes that.

Mr. Chairman, the very word, "bank," evokes a vision of institutional coldness, anonymity, and impersonal dealing. But here we are dealing with human faces, with the fear of our neighbors, our friends, and our families who need a secure banking system.

Last year alone, I say to my friends, 216 banks failed. The bank insurance

fund is at the lowest point in 60 years, and unless we act, it will be out of funds within several weeks. When that happens and we are adjourned, brother, you wait until the wrath of the people comes down on this institution. If we do not act now, the price tag later on will be much higher and the stakes much greater.

Mr. Chairman, this bill with this amendment before us now in its present form is as good as we are going to get and is as responsible as we are going to see. There may be other solutions, but where are the votes?

This is one of those tough gut-wrenching votes that your constituents elected you to cast.

□ 1750

It is not easy, but it is necessary. The lobbying on this bill has been intense, with loyalties and alliances switching daily. As a matter of fact, it is a moving target out there.

What will eventually satisfy all of the competing interests? Nothing. Frankly, that is why it has taken us so long to get to this point and why the outcome is still in doubt. And behind the technicalities, behind the competing interests, above the specific problems of lobbying groups, lie the needs of the American people.

Mr. Chairman, let us make that quantum leap of politics transcending the competing claims of this group and that group, and make the right decision by supporting this amendment and voting yes on final passage.

For those of you who say just vote no, no, it is not perfect. But I would ask you, if this bill goes down, what have you got? Well, I will tell you. We certainly are not going to conference, and I will bet you, number two, in view of that amendment adopted on credit cards in the other body, that will be a part of anything that comes back the next time around. How would you like that?

Then No. 3, with no replenishment of the Bank Insurance Fund, and nothing to reimburse the guaranteed depositors of those banks that fail in the future—that will really bring the wrath of the American people down on this institution.

Mr. Chairman, we have got a job to do today, a darn tough job, and you have to wipe those special interests out of your mind and say what is it that will really get this job done?

Mr. Chairman, I plead with Members to vote for the Wylie amendment and vote for passage of this bill. Move it over into conference, and then, quite frankly, we will still get another shot at voting yes or no on the conference report.

Mr. Chairman, for the RECORD I include a letter urging support for final passage and the Wylie-Neal amendment from President George Bush.

THE WHITE HOUSE,

Washington, DC, November 14, 1991.

The Hon. ROBERT H. MICHEL,  
Republican Leader, House of Representatives,  
Washington, DC.

DEAR CONGRESSMAN MICHEL: Today the House of Representatives will consider H.R. 2094, the Federal Deposit Insurance Corporation Improvement Act of 1991.

The Congress must pass legislation this year that will recapitalize the Bank Insurance Fund and make a significant start on fixing the underlying structural problems that affect our banking industry. While H.R. 2094 lacks some of the important reforms initially approved by a bipartisan majority of the House Banking Committee, I believe that this legislation, if amended by both the Wylie-Neal amendment and the Gonzalez amendment, would be an important step forward in the process of achieving worthwhile reform.

Perhaps most important, H.R. 2094 will protect the millions of depositors who depend on a strong Bank Insurance Fund. But simply pouring money into the Fund—without fixing the industry so it can pay its own way—would leave taxpayers exposed.

I strongly urge all members to support final passage of H.R. 2094 if the Wylie-Neal amendment is adopted.

Sincerely,

GEORGE BUSH.

Mr. WEISS. Mr. Chairman, I rise in opposition to the amendment offered by the gentleman from Ohio [Mr. WYLIE]. Let us not be fooled by claims that by unanimously approving the Vento-Bereuter amendment to H.R. 6, the House has already indicated its support for this measure. That amendment was an acceptable interstate banking and branching compromise. This measure is a sharp fanged wolf in sheep's clothing.

Had the gentleman offered a lean amendment which would have repealed the existing restrictions on interstate banking and branching imposed by the McFadden Act of 1927 and the Bank Holding Act of 1956, he would have my vote today. I would have also supported an attempt to include an opt-out element such as that included in the Vento-Bereuter amendment to allow States more flexibility. But the administration got too greedy. They have weighed down this amendment with loads of extra baggage. In fact, Mr. Chairman, we see more baggage in this amendment than President Bush carries with him on all his foreign trips.

A most interesting provision is the new restriction on banks or bank subsidiaries from engaging in real estate investment, management, or development, or to purchase and sell real estate as a principal broker. Where did this provision come from? It certainly was not in the banking bill which we debated on the floor of the House last week.

Mr. Chairman, voting for this bill reminds me of buying a new car. Upon first examining the car on the lot, you like the car as it is and conclude that the sticker price is within reach. However, after negotiating with the car salesman, you find yourself paying for more extras than you can ever afford. I urge my colleagues to not let some fast talking salesmen weigh this vehicle down with burdensome extras—defeat the Wylie amendment to H.R. 2094.

Mr. McMILLEN of Maryland. Mr. Chairman, I rise in support of the Wylie amendment. I feel that it is a responsible compromise. It al-

lows interstate banking, while limiting insurance and real estate activities by banks.

Interstate banking is already an acknowledged fact. This provision will ensure that it is done in a safe and sound manner, and that States have the ability to opt out of the system. Furthermore, by allowing banks to branch interstate, it will encourage diversity, thus strengthening the overall safety of the system.

The limitations on insurance and real estate activities is in keeping with my position throughout the debate. I am not opposed to expanded powers per se, but I am opposed to expanded taxpayer liability. New powers need to be coupled with true deposit insurance reform. Without such reform, new powers should not be allowed.

While I support the Wylie amendment, I have serious qualms about the overall bill. I feel strongly that reform is desperately needed in our deposit insurance system. Unfortunately, the bill does not address the real problem: The pricing of deposit insurance.

In the public's eyes, there is no difference between a well capitalized bank and an insolvent bank. The cost and coverage of insurance is the same, and there are no incentives for either depositors or managers to exercise restraint. This is how we ended up with the S&L debacle.

If we can infuse some market pressure into the system, then the whole question of firewalls and safeguards becomes much less important. Until then, any talk of reform is meaningless. Safeguards are necessary, but not sufficient to ensure the long-term safety and soundness of the system.

I support a narrow bill, and pledge to work with my colleagues over the next 2 weeks to come up with a viable alternative package. Before we give the FDIC a \$70 billion line of credit, we need to make sure the system will work.

Mr. KANJORSKI. Mr. Chairman, the Wylie-Neal amendment is a good compromise, and should be supported.

If there is one lesson we should have learned from the S&L disaster in Texas, the Continental Illinois failure, and the current problems in New England, it is that geographic diversity reduces the risk to both banks' portfolios and the FDIC insurance fund.

The Wylie-Neal amendment, which includes the Vento-Bereuter interstate banking compromise, will promote geographic diversity, reduce risks for banks, the FDIC fund, and taxpayers, and will help to move banking into the 21st century.

Allowing interstate banking will also enable financial institutions to achieve significant economy of scale savings by reducing overhead and converting banks to branches. This will substantially increase their competitiveness and strength at no risk to the FDIC fund or the taxpayer.

The Wylie-Neal amendment is also important because it closes several important loopholes that the administration and the State of Delaware have irresponsibly used to make a mockery of the Congress and legislative intent.

The Wylie-Neal amendment closes both the town of 5,000 loophole, and the Delaware loophole.

When the Congress originally authorized the town of 5,000 exception for insurance sales by

banks in small towns, there is no doubt in anyone's mind that the exception was intended only to ensure that residents of those small towns would have access to insurance.

It was never contemplated that big banks would set up shop in a small town for the express purpose of selling insurance nationwide. That is a gross perversion of congressional intent.

Nor was it ever intended that we would allow State banks in Delaware to have risky insurance underwriting, and anticompetitive nationwide insurance sales, powers we expressly denied to other banks.

As much as I admire my colleague from Delaware, and respect the tenacity with which he has fought for his State's interest, I cannot support any State's efforts to gamble with Federal funds.

If Delaware, or any other State, wants to start its own deposit insurance system, and gamble with its own funds, more power to it. But any State that wishes to rely on Federal deposit insurance, backed by the full faith and credit of the U.S. Treasury and U.S. taxpayers, for its depositors should be willing to play by Federal rules. It should not make up its own rules.

He who plays the piper, should be allowed to call the tune.

Mr. Chairman, as Danny DeVito has shown in his most recent movie, it is easy to gamble with other people's money, it is more difficult to do so with your own.

It is in the best interests of all U.S. taxpayers, and our financial system, that we pass the Wylie-Neal amendment.

Mr. OWENS of Utah. Mr. Chairman, today I voted in reluctant support of the Wylie amendment to H.R. 2094. When we voted on H.R. 6 last week, I stated that the Congress must take courageous steps to assert its legitimate role in the regulatory process. Moreover, recapitalization of the bank insurance fund is vital to consumer confidence in the Nation's banking system. However, I intend to vote against the bill because I feel it best to vote on a clean, narrow bill where its imperfections can be worked out. We have a short, but not insurmountable period of time to act on a narrow bill, and we should try, again, to do so.

Yesterday, the gentleman from Georgia [Mr. BARNARD] best expressed the reasons for my opposition to the rule governing today's vote. There was no good reason whatsoever, to incorporate the interstate branching and real estate provisions into the Wylie amendment. Mr. KANJORSKI revealed a potentially serious loophole regarding the too-big-to-fail policy. We should have had the opportunity to vote on this matter as well. Had a truly narrow bill, with simple BIF recapitalization and regulatory reform, not been possible, the committee could easily have put forth an equally controversial amendment dealing exclusively with insurance. But, the rule passed, and we once again find ourselves caught in another tug of war.

In spite of my vote for the Wylie amendment, let me make it perfectly clear that I am not unequivocally opposed to allowing banks to engage further in insurance activities. I will acknowledge that such activities will probably not help the status of the banking industry too much. Only the management changes result-

ing from deposit insurance and regulatory reform and significant restructuring of the industry can accomplish that. But it can add a new element of competition to the insurance industry, and we should look into such possibilities in the future—but not today, which is why I voted against final passage.

If insurance is to be regulated at the State level, as I believe it should continue to be, we must always keep an eye on where further competition can be fostered. There is a growing sentiment that McCarran-Ferguson should be repealed or dramatically reformed. I would likely oppose such a move, but if repeal of McCarran-Ferguson is to be averted, the issue of competition in the industry is something that must inevitably be addressed.

Bank involvement may provide a means of doing so. Separate facilities, stringent reporting requirements, accounting procedures, as well as prohibitions on the sharing of certain information and regulating the advertisements and sales pitch of a bank's insurance affiliate are all measures that I believe may work to foster competition in the industry while preventing abuse of the deposit insurance safety net.

What is at issue is who determines the guidelines under which banks can engage in those activities. To a large degree, the extent to which banks can engage in nonbanking activities is determined by administrative fiat and loopholes. Make no mistake about it—the regulatory loopholes are there. Had the Wylie amendment passed, all but one of the banks using the so-called Delaware loophole would have been grandfathered. Likewise, most banks would not have been impacted by the closure of the so-called small town loophole. But there was no legitimate reason to include such an amendment on this bill at this time.

Finally, I opposed final passage of this legislation—if for no other reason than to get the bill to committee and send a strong signal to the American people that somebody is willing to make the difficult decisions needed to ensure consumer confidence in the banking system. The final version of this bill, if passed, will not be perfect. And I am in no way committed to supporting whatever the committee may offer in the future. I may, in the end, support a bill that deals more with strict regulatory reform and recapitalization. But the best alternative, for depositors, is a narrow bill, and I urge the Banking and Rules Committees to offer that alternative in the future.

The CHAIRMAN. The question is on the amendments en bloc offered by the gentleman from Ohio [Mr. WYLIE].

The question was taken; and the Chairman announced that the noes appeared to have it.

#### RECORDED VOTE

Mr. WYLIE. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 210, noes 208, answered "present" 2, not voting 14, as follows:

[Roll No. 398]

AYES—210

Allard	Andrews (TX)	Anthony
Andrews (NJ)	Anunzio	Archer

Arney	Gingrich	Packard
Atkins	Glickman	Pallone
AuCoin	Gonzalez	Pastor
Balleger	Goodling	Patterson
Bentley	Gordon	Payne (NJ)
Berman	Goss	Pease
Bilbray	Gradison	Pickett
Billirakis	Grandy	Pickle
Billiey	Hall (TX)	Porter
Boehlert	Hansen	Price
Boehner	Hastert	Pursell
Bonior	Hayes (LA)	Quillen
Broomfield	Hefner	Ramstad
Brown	Henry	Ravenel
Bruce	Hoagland	Reed
Burton	Hobson	Regula
Callahan	Horn	Rhodes
Camp	Hunter	Ridge
Clement	Hyde	Riggs
Clinger	Inhofe	Rinaldo
Coble	Ireland	Ritter
Coleman (MO)	James	Rohrabacher
Condit	Johnson (CT)	Ros-Lehtinen
Costello	Johnson (SD)	Rose
Coughlin	Johnson (TX)	Roukema
Cox (CA)	Johnston	Roybal
Crane	Kanjorski	Sangmeister
Cunningham	Kasich	Santorum
Davis	Kennelly	Sawyer
de la Garza	Lagomarsino	Saxton
DeFazio	Lancaster	Serrano
DeLauro	Leach	Shaw
DeLay	Lehman (CA)	Shays
Derrick	Lent	Shuster
Dickinson	Lewis (CA)	Sisisky
Dicks	Lewis (FL)	Slattery
Dixon	Lewis (GA)	Smith (FL)
Donnelly	Lipinski	Smith (NJ)
Dooley	Livingston	Solomon
Doolittle	Lowery (CA)	Spence
Dorman (CA)	Lowey (NY)	Spratt
Dreier	Luken	Stallings
Duncan	Machtley	Stearns
Durbin	Manton	Sundquist
Dwyer	Martin	Swett
Dymally	Martinez	Tallon
Early	Matsui	Tanner
Emerson	Mavroules	Tauzin
Engel	McCandless	Taylor (NC)
Fazio	McCloskey	Thomas (CA)
Feighan	McColum	Torres
Fields	McCrery	Torricelli
Fish	McDade	Upton
Flake	McGrath	Valentine
Ford (TN)	McMillan (NC)	Vander Jagt
Frank (MA)	McMillen (MD)	Walker
Franks (CT)	McNulty	Walsh
Frost	Michel	Weber
Galleghy	Mineta	Weldon
Gallo	Moakley	Wilson
Gejdenson	Moorhead	Wolf
Gekas	Moran	Wolpe
Gephardt	Neal (MA)	Wyden
Geren	Neal (NC)	Wylie
Gibbons	Nussle	Yatron
Gilchrest	Oakar	Young (FL)
Gillmor	Owens (UT)	Zeliff
Gilman	Oxley	Zimmer

## NOES—208

Abercrombie	Bunning	Edwards (CA)
Ackerman	Bustamante	Edwards (OK)
Alexander	Byron	Edwards (TX)
Allen	Campbell (CO)	English
Anderson	Cardin	Erdreich
Andrews (ME)	Carper	Espy
Applegate	Carr	Evans
Aspin	Chandler	Ewing
Bacchus	Chapman	Fascell
Baker	Clay	Fawell
Barnard	Coleman (TX)	Foglietta
Barrett	Collins (IL)	Ford (MI)
Barton	Collins (MI)	Gaydos
Bateman	Combest	Green
Bellenson	Conyers	Guarini
Bennett	Cox (IL)	Gunderson
Bereuter	Coyne	Hall (OH)
Bevill	Cramer	Hamilton
Blackwell	Dannemeyer	Hammerschmidt
Borski	Darden	Hancock
Boucher	Dellums	Harris
Boxer	Dingell	Hayes (IL)
Brewster	Dorgan (ND)	Hefley
Browder	Downey	Hergert
Bryant	Eckart	Hertel

Hochbrueckner	Mollohan	Schiff
Holloway	Montgomery	Schroeder
Hopkins	Morrison	Schumer
Horton	Mrazek	Sensenbrenner
Houghton	Murphy	Sharp
Hoyer	Murtha	Sikorski
Hubbard	Myers	Skaggs
Huckaby	Nagle	Skeen
Hughes	Natcher	Skelton
Hutto	Nichols	Slaughter
Jacobs	Nowak	Smith (IA)
Quillen	Oberstar	Smith (OR)
Jones (NC)	Obey	Smith (TX)
Jontz	Olin	Snowe
Kaptur	Olver	Solarz
Kennedy	Ortiz	Staggers
Killdeer	Orton	Stark
Kleczka	Owens (NY)	Stenholm
Klug	Panetta	Stokes
Kolter	Parker	Studds
Kopetski	Payne (VA)	Stump
Kostmayer	Pelosi	Swift
Kyl	Penny	Synar
LaFalce	Perkins	Taylor (MS)
Lantos	Peterson (FL)	Thomas (GA)
LaRocco	Peterson (MN)	Thornton
Laughlin	Petri	Towns
Lehman (FL)	Poshard	Traficant
Levin (MI)	Rahall	Traxler
Levine (CA)	Rangel	Unsoeld
Lightfoot	Ray	Vento
Long	Richardson	Visclosky
Markey	Roberts	Volker
Marlenee	Roe	Vucanovich
Mazzoli	Roemer	Washington
McCurdy	Rogers	Waters
McDermott	Roth	Waxman
McEwen	Rowland	Weiss
McHugh	Russo	Wheat
Meyers	Sabo	Whitten
Mfume	Sanders	Williams
Miller (CA)	Sarpalius	Wise
Miller (OH)	Savage	Yates
Miller (WA)	Schaefer	
Mink	Scheuer	

## ANSWERED "PRESENT"—2

Brooks Cooper

## NOT VOTING—14

Campbell (CA)	Lloyd	Rostenkowski
Hatcher	Molinari	Schulze
Jefferson	Moody	Thomas (WY)
Jenkins	Morella	Young (AK)
Kolbe	Paxon	

## □ 1809

The Clerk announced the following pairs:

On this vote:

Mr. Moody for, with Mr. Jenkins against.

Mrs. Lloyd for, with Mr. Hatcher against.

Mr. Kolbe for, with Mr. Thomas of Wyoming against.

Mr. HASTERT changed his vote from "no" to "aye."

So the amendments en bloc were agreed to.

The result of the vote was announced as above recorded.

## PERSONAL EXPLANATION

Mrs. MORELLA. Mr. Speaker, I would like to state that on rollcall No. 398 I put my card into the box, and thought it had recorded my vote. It is not recorded. We are double checking it. But I had voted "aye."

The CHAIRMAN. The question is on the amendment in the nature of a substitute, as amended.

The amendment in the nature of a substitute, as amended, was agreed to.

Mrs. BOXER. Mr. Chairman, I rise today in opposition of H.R. 2094. No one can question the need for action to solve problems in the Nation's banking industry. But this bill, with the proposed Wylie amendment, will not solve those problems.

Recapitalizing the FDIC fund to cover losses from failed banks is essential, but this bill could repeat past mistakes by not requiring pay-as-you-go provisions. If the banks are unable to replenish the loans authorized for the FDIC, as some believe will be the case, then the taxpayers will once again be left holding the bag, if we are going to commit up to \$70 billion of taxpayers money for the FDIC—much more with interest payments—then we need real bank reform.

Likewise, interstate banking is being touted as a way of allowing banks to spread their risks. Unfortunately, based on past experience, interstate banking without proper protections will increase both the consumers' and taxpayers' risk. This bill allows large banks unlimited powers to expand across State lines. There are no safeguards to assure that the credit needs of low- and moderate-income and minority communities will be provided for. The bill eliminates other public safeguards, such as restrictions on securities transactions, contained in the Dingell-Gonzalez H.R. 6 compromise. Further, State authority over out-of-State banking is seriously eroded by requiring that the States explicitly opt-out of interstate banking, rather than opting-in if they choose. This legislation places our communities, our families, and all taxpayers at risk.

Let us solve our banking problems, not compound them.

Mr. MOODY. Mr. Chairman, I rise in opposition to H.R. 2094, the FDIC Capitalization and Improvement Act, because I feel that it is the beginning of a monstrous taxpayer bailout of the banking industry.

Mr. Chairman, I also rise in opposition to this bill because I feel that we have an important obligation to ensure that our financial system is properly regulated. We owe it to our Nation's taxpayers to protect them from having to use their taxes to save a banking system that has been consistently mismanaged. This bill does not accomplish that.

Most experts, including Comptroller General Charles Bowsher and former FDIC Chair Bill Seidman, agree that the loan to the FDIC in the bill may never be repaid as it is supposed to be under the bill's provisions. It will become a grant paid for by every working family in this Nation.

When the Treasury covers the losses of innocent people's deposits, these innocent people are actually helping to finance their own reimbursement. A loan from the Treasury to the FDIC should occur only if it is accompanied by strict measures to guard against this happening. Adequate safety features are not present in this bill.

To elaborate, I want to point out that this bill does nothing to stop the Federal Reserve from continuing to tear down the wall separating banking and securities. Since 1985, the Fed has been looking for ways to let banks into the securities industry. If they do this without strict guidelines from this body, guidelines that this bill does not contain, then we can surely expect to see banks engaging in more and riskier activities. The banking industry has made a complete mess out of the activities in which they can currently engage in. How can we go without increasing regulations and placing strict limits on further powers?

Of course, this is not true of most of the Nation's banks. Analysts point out that the it is

the largest banks, mostly in New York and other northeastern States, which are most responsible for the industry's troubles. These banks are in trouble simply because they chose to enter into risky and speculative ventures which later turned bad, such as loans to Third World countries, loans to corporate takeover artists, and excessive real estate development. That is absolutely the core of the industry's problems. Experts estimate that the largest five bank failures in the country will account for at least 40 percent of total losses to the FDIC. Clearly, the very largest of our Nation's 12,000 banks have created this crisis.

We are at a critical point in the history of our banking system. We are being forced to vote on legislation that will have great ramifications on the future of our banking industry. What makes this such a tough choice for me is that the banks in my State of Wisconsin are strong, stable, and profitable. Only two of Wisconsin's banks have failed in the last 10 years, a period that includes the farm recession and the devastation of so much of our manufacturing industry in the early 1980's. Both of these failures were due to fraud, not bad lending decisions.

Wisconsin's banks do not need or desire the massive reform of the industry that has been debated for over 6 months. They find it outrageous that they should be subjected to consequences and costs that were created by the mismanaged, large, money center banks in other regions.

Mr. HOAGLAND. Mr. Chairman, the Gonzalez banking amendment that we approved yesterday, as part of H.R. 2094, the banking reform bill, includes a number of important steps to improve the supervision of banks such as annual, on-site examinations and tightening up on the regulation of foreign banks.

One provision, important to my district in Omaha is the Bank Enterprise Program which would encourage banks to lend to distressed neighborhoods. Traditionally, banks have been reluctant to invest in distressed areas. But the provisions in this bill establish new incentives for banks and savings and loans to increase lending and deposit taking in low-income neighborhoods. Under the bill, banks would receive reduced insurance premiums and assessments on lifeline accounts—accounts which offer basic transaction services to people—for increasing their activities in distressed areas.

Let me give you a few concrete examples of how this would help north Omaha. In this section of town, there are several vacant and abandoned buildings, like an old supermarket. Omaha's economy is booming, with telemarketing making significant growth strides. One telemarketing company would like to expand into this area. In addition, a seafood distributor and a manufacturer of metal components are interested in locating here, where workers live close by and public transportation is available. Banks, however, have always hesitated to invest in areas like this. The incentives in the bill before us would help attract investment in these substandard buildings and in turn create jobs and revival of a depressed part of our town.

The provisions have been modified to address the budget implications raised by the

chairman of the Budget Committee, Congressman PANETTA. Under this amendment, the Bank Enterprise Program would be effective when revenues are available.

The Bank Enterprise Program is a good approach. Instead of punishing banks in some way for not investing in distressed areas, they are carrots. Banks can invest in these neighborhoods, make a profit, spur economic development, create jobs and encourage cooperation among lenders and communities. With efforts like this, we can use the tools of banking to bring prosperity and hope to many communities that have for too long been plagued by hopelessness.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. CARR, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 2094) to require the least-cost resolution of insured depository institutions, to improve supervision and examinations, to provide additional resources to the bank insurance fund, and for other purposes, pursuant to House Resolution 277, he reported the bill back to the House with an amendment adopted by the Committee of the Whole.

The SPEAKER. Under the rule, the previous question is ordered.

Is a separate vote demanded on any amendment to the amendment in the nature of a substitute adopted by the Committee of the Whole? If not, the question is on the amendment.

The amendment was agreed to.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

MOTION TO RECOMMEND OFFERED BY MR. ARMEY

Mr. ARMEY. Mr. Speaker, I offer a motion to recommit, with instructions.

The SPEAKER. Is the gentleman opposed to the bill?

Mr. ARMEY. Mr. Speaker, I am, in its present form.

The SPEAKER. The Clerk will report the motion to recommit.

The Clerk read as follows:

Mr. ARMEY moves to recommit the bill, H.R. 2094, to the Committee on Banking, Finance and Urban Affairs with instructions to report the same to the House forthwith with the following amendment:

Add at the end of the bill the following new title:

TITLE VI—MISCELLANEOUS PROVISIONS  
SEC. 601. INSTITUTIONS EXEMPT FROM EXAMINATION; 2-YEAR SAFE HARBOR RULE.

(a) IN GENERAL.—Section 804 of the Community Reinvestment Act of 1977 (12 U.S.C. 2903) is amended—

(1) by striking "In connection with" and inserting the following: "(a) IN GENERAL.—Subject to subsections (b) and (c), in connection with"; and

(2) by adding at the end the following new subsections:

"(b) EXEMPT INSTITUTIONS.—Subsection (a) shall not apply to a regulated financial institution during a year if, on December 31 immediately preceding that year—

"(1) the institution—  
"(A) has total assets of less than \$250,000,000,

"(B) does not have a home office in a consolidated metropolitan statistical area, and

"(C) does not have a branch office in a consolidated metropolitan statistical area; or

"(2) the institution has total assets of less than \$100,000,000.

"(d) 2-YEAR EXEMPTION FROM CONSIDERATION OF RECORD.—During the 2-year period beginning on any date on which the appropriate Federal banking agency issues a written evaluation under section 807 that contains a rating for a regulated financial institution of satisfactory or outstanding—

"(1) subsection (a)(2) shall not apply to the institution; and

"(2) for purposes of interstate branching and acquisition by the institution, and for any notice or application by the institution or any affiliate of the institution (including any bank holding company of which the institution is a subsidiary), the institution shall be deemed to have met all applicable requirements under this Act."

(b) CONSOLIDATED METROPOLITAN STATISTICAL AREA DEFINED.—Section 803 of the Community Reinvestment Act of 1977 (12 U.S.C. 2902) is amended—

(1) in paragraph (2) by striking "and" after the semicolon at the end;

(2) in paragraph (3)(F) by striking the period at the end and inserting a semicolon;

(3) in paragraph (4) by striking the period at the end and inserting "; and"; and

(4) by adding at the end the following new paragraph:

"(5) the term 'consolidated metropolitan statistical area' means an area so designated by the Director of the Office of Management and Budget."

SEC. 602. 1 INSURED ACCOUNT PER DEPOSITOR.

(a) IN GENERAL.—Section 11(a)(1) of the Federal Deposit Insurance Act (12 U.S.C. 1821(a)(1)) (as amended by section 311(b) of this Act) is amended by redesignating subparagraphs (C) and (D) as subparagraphs (E) and (F), respectively, and by inserting after subparagraph (b) the following new subparagraphs:

"(C) AGGREGATION OF DEPOSITS.—For the purpose of determining the net amount due to any depositor under subparagraph (B), the Corporation shall aggregate the amounts of all deposits in the insured depository institution which are maintained by a depositor or by others for the benefit of the depositor, as follows:

"(i) Deposits registered under the same taxpayer identification number or employer identification number of one depositor shall be attributed to that depositor.

"(ii) Deposits registered under the taxpayer identification number or employer identification number of more than one depositor shall be attributed equally, unless otherwise specified in the deposit account records, among those depositors.

"(iii) Deposits consisting of a revocable trust or similar account shall be attributed to the settlor or grantor of the deposit account.

"(iv) Deposits maintained by an individual or entity (including an insured depository institution) acting as an agent, custodian, nominee, conservator or in a similar capacity on behalf of a principal (other than an insured depository institution) shall be attributed to such principal.

"(v) Such other attribution to a depositor as the Board of Directors determines by regulation not to be unduly burdensome and costly to calculate, to the extent that the depositor has control over the deposit account and that such attribution would be consistent with the insurance purposes of this Act.

**"(D) DEPOSITOR IDENTIFICATION.—**

**"(i) IDENTIFICATION NUMBER.—**All deposits shall be registered under the taxpayer identification number or employer identification number of each depositor.

**"(ii) CONSIDERATION OF ADDITIONAL INFORMATION.—**For the purpose of aggregating and attributing deposits the Corporation may consider additional information contained in the records of the insured depository institution or made available by the depositor."

**(b) TECHNICAL AND CONFORMING AMENDMENT.—**Section 11(a)(1)(B) of the Federal Deposit Insurance Act (12 U.S.C. 1821(a)(1)(B)) is amended by striking "(C) and (D)" and inserting "(C), (E), and (F)".

**(c) EFFECTIVE DATE.—**The amendments made by this section shall take effect on January 1, 1995.

Mr. ARMEY (during the reading). Mr. Speaker, I ask unanimous consent that the motion to recommit be considered as read and printed in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

Mr. ECKART. Mr. Speaker, reserving the right to object, what was the unanimous-consent request?

The SPEAKER. The unanimous-consent request was for the purpose of asking consent to dispense with further reading of the motion to recommit.

Mr. ECKART. Mr. Speaker, we do not have a copy on this side, so I am constrained to object to this unanimous-consent request.

The SPEAKER. Perhaps the gentleman would like to reserve his right to object.

Mr. ECKART. Mr. Speaker, reserving the right to object, if we may have a copy of it or an explanation, I will be happy to yield to my colleague, the gentleman from Texas, if he would like to explain his motion to recommit.

Mr. ARMEY. Mr. Speaker, I thank the gentleman for yielding.

Mr. Speaker, the recommendations are really quite simple. I ask that the bill be recommitted and that it be brought back including a provision, one, having to do with the CRA provisions, that we would include then exemptions from the CRA provisions for rural banks with \$250 million in assets and urban banks with \$100 million in assets, and provide a safe harbor of 2 years for banks who have excellent CRA ratings.

In addition to that, the motion asks that we limit the FDIC insurance coverage to individuals on one account of \$100,000 and one additional IRA account of \$100,000 per individual, per institution. This last provision would take effect on January 1, 1995.

The CRA provisions of my motion were passed in subcommittee and in the committee, and the provisions re-

garding limitations of FDIC coverage were those recommended to the committee initially by the President.

Mr. ECKART. Continuing to reserve the right to object, Mr. Speaker, does the gentleman intend to seek a rollcall vote on this motion to recommit?

Mr. WALKER. Regular order, Mr. Speaker.

The SPEAKER. The gentleman from Pennsylvania demands regular order. Is there objection to the request of the gentleman from Texas.

Mr. ECKART. Reserving my right to object, Mr. Speaker—

The SPEAKER. The gentleman from Pennsylvania demands regular order. The gentleman from Ohio at this point will either have to object or withdraw his objection to the unanimous-consent request to dispense with further reading of the motion to recommit. That is the question before the House.

Mr. ECKART. Mr. Speaker, I simply wanted to inquire as to whether there would be a rollcall vote on this motion to recommit. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

The SPEAKER. The gentleman from Texas [Mr. ARMEY] will be recognized for 5 minutes in support of the motion to recommit with instructions, and the gentleman from Texas [Mr. GONZALEZ] will be recognized for 5 minutes in opposition.

The Chair recognizes the gentleman from Texas [Mr. ARMEY].

Mr. ARMEY. Mr. Speaker, I will be very quickly to the point.

As I said, I believe the provisions of my motion are very clear to the body. The CRA provisions of my motion I feel are necessary in order to give the small banks and especially the smaller rural banks some relief from unnecessary costs and unnecessary redtape, and I believe that will save them from being, in fact, put at risk.

Limitations on FDIC deposit insurance I feel are necessary and are prudent, given the fact that we do still continue to cover passthrough accounts and broker deposits. I feel it is important to protect the taxpayer from unnecessary exposure in the event that foreclosures should have to take place in the future.

Mr. Speaker, I yield back the balance of my time.

Mr. GONZALEZ. Mr. Speaker, I rise in opposition to this motion to recommit. It is really a pig in a poke.

From what the gentleman has explained thus far, he wants to recommit this to the committee. We have already gone over this. Each one of those issues the gentleman has described have been lost by a substantial vote in the committee. I urge the Members not to support this motion to recommit.

The SPEAKER. Without objection, the previous question is ordered on the motion to recommit.

There was no objection.

The SPEAKER. The question is on the motion to recommit.

The motion to recommit was rejected.

The SPEAKER. The question is on the passage of the bill.

The question was taken; and the Speaker announced that the ayes appeared to have it.

RECORDED VOTE

Mr. DANNEMEYER. Mr. Speaker, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 191, noes 227, answered "present" 2, not voting 14, as follows:

[Roll No. 399]

AYES—191

Allard	Gonzalez	Oakar
Anderson	Goodling	Orton
Andrews (TX)	Gordon	Oxley
Archer	Goss	Packard
Baker	Gradison	Pastor
Ballenger	Grandy	Patterson
Barton	Hall (TX)	Pease
Bateman	Hansen	Pelosi
Berman	Hayes (LA)	Penny
Bilbray	Hefner	Pickett
Bilirakis	Hoagland	Pickle
Bliley	Hobson	Porter
Boehlert	Horn	Price
Boehner	Hoyer	Pursell
Bonior	Huckaby	Quillen
Broomfield	Hunter	Ramstad
Brown	Hyde	Ravenel
Burton	Ireland	Reed
Camp	James	Regula
Campbell (CO)	Johnson (CT)	Rhodes
Cardin	Johnson (SD)	Riggs
Chandler	Johnson (TX)	Rinaldo
Clement	Johnston	Ritter
Clinger	Kasich	Ros-Lehtinen
Coble	Kennelly	Rose
Coleman (MO)	Kiecicka	Roybal
Coleman (TX)	Klug	Santorum
Coughlin	Kopetski	Sawyer
Cox (CA)	Kostmayer	Saxton
Cunningham	Kyl	Schaefer
Davis	Lagomarsino	Shaw
DeLauro	Lancaster	Shays
Derrick	Leach	Shuster
Dicks	Lent	Sisisky
Dixon	Lewis (CA)	Smith (FL)
Dooley	Lewis (FL)	Smith (NJ)
Dornan (CA)	Lewis (GA)	Smith (TX)
Dreier	Lipinski	Snowe
Duncan	Livingston	Solomon
Dwyer	Lowery (CA)	Spence
Dymally	Machtley	Spratt
Early	Martin	Stearns
Edwards (CA)	Mavroules	Stenholm
Ewing	McCandless	Sundquist
Fascell	McCollum	Swett
Fawell	McCrery	Synar
Fazio	McDade	Tallon
Feighan	McEwen	Tanner
Fields	McGrath	Taylor (NC)
Fish	McMillan (NC)	Thomas (CA)
Ford (TN)	Meyers	Torres
Frank (MA)	Michel	Upton
Franks (CT)	Miller (OH)	Valentine
Frost	Miller (WA)	Vander Jagt
Galleghy	Mineta	Vucanovich
Gallo	Moakley	Walker
Gekas	Moorhead	Walsh
Gephardt	Moran	Weldon
Geren	Morella	Wilson
Gibbons	Morrison	Wolf
Gilchrest	Myers	Wyllie
Gillmor	Neal (MA)	Young (FL)
Gilman	Neal (NC)	Zeliff
Gingrich	Nussle	

NOES—227

Abercrombie	Allen	Annunzio
Ackerman	Andrews (ME)	Anthony
Alexander	Andrews (NJ)	Applegate

Armye	Harris	Peterson (FL)
Aspin	Hastert	Peterson (MN)
Atkins	Hayes (IL)	Petri
AuCoin	Hefley	Poshard
Bacchus	Henry	Rahall
Barnard	Herger	Rangel
Barrett	Hertel	Ray
Bellenson	Hochbrueckner	Richardson
Bennett	Holloway	Ridge
Bentley	Hopkins	Roberts
Bereuter	Horton	Roe
Bevill	Houghton	Roemer
Blackwell	Hubbard	Rogers
Borski	Hughes	Rohrabacher
Boucher	Hutto	Roth
Boxer	Inhofe	Roukema
Brewster	Jacobs	Rowland
Browder	Jones (GA)	Russo
Bruce	Jones (NC)	Sabo
Bryant	Jontz	Sanders
Bunning	Kanjorski	Sangmeister
Bustamante	Kaptur	Sarpalius
Byron	Kennedy	Savage
Callahan	Kildee	Scheuer
Carper	Kolter	Schiff
Carr	LaFalce	Schroeder
Chapman	Lantos	Schumer
Clay	LaRocco	Sensenbrenner
Collins (IL)	Laughlin	Serrano
Collins (MI)	Lehman (CA)	Sharp
Combest	Levin (MI)	Sikorski
Condit	Levine (CA)	Skaggs
Conyers	Lightfoot	Skeen
Costello	Long	Skelton
Cox (IL)	Lowey (NY)	Slattery
Coyne	Luken	Slaughter
Cramer	Manton	Smith (IA)
Crane	Markey	Smith (OR)
Dannemeyer	Marlenee	Solarz
Darden	Martinez	Staggers
de la Garza	Matsui	Stallings
deFazio	Mazzoli	Stark
DeLay	McCloskey	Stokes
Dellums	McCurdy	Studds
Dickinson	McDermott	Stump
Dingell	McHugh	Swift
Donnelly	McMillen (MD)	Tauzin
Doolittle	McNulty	Taylor (MS)
Dorgan (ND)	Mfume	Thomas (GA)
Downey	Miller (CA)	Thornton
Durbin	Mink	Torricelli
Eckart	Mollohan	Towns
Edwards (OK)	Montgomery	Trafficant
Edwards (TX)	Mrazek	Traxler
Emerson	Murphy	Unsoeld
Engel	Murtha	Vento
English	Nagle	Viscosky
Erdreich	Natcher	Volkmer
Espy	Nichols	Washington
Evans	Nowak	Waters
Flake	Oberstar	Waxman
Foglietta	Obey	Weber
Ford (MI)	Olin	Weiss
Gaydos	Olver	Wheat
Gejdenson	Ortiz	Whitten
Glickman	Owens (NY)	Williams
Green	Owens (UT)	Wise
Guarini	Pallone	Wolpe
Gunderson	Panetta	Wyden
Hall (OH)	Parker	Yates
Hamilton	Payne (NJ)	Yatron
Hammerschmidt	Payne (VA)	Zimmer
Hancock	Perkins	

## ANSWERED "PRESENT"—2

Brooks Cooper

## NOT VOTING—14

Campbell (CA)	Lehman (FL)	Rostenkowski
Hatcher	Lloyd	Schulze
Jefferson	Molinar	Thomas (WY)
Jenkins	Moody	Young (AK)
Kolbe	Paxon	

□ 1837

The Clerk announced the following pairs:

On this vote:

Mr. Jenkins for, with Mr. Moody against.

Mr. Kolbe for, with Mrs. Lloyd against.

Mr. Thomas of Wyoming for, with Mr. Hatcher against.

Messrs. BERMAN, COLEMAN of Texas, and DIXON changed their vote from "no" to "aye."

So the bill was not passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

#### WAIVING ALL POINTS OF ORDER AGAINST CONFERENCE REPORT ON H.R. 2100, NATIONAL DEFENSE AUTHORIZATION ACT FOR FISCAL YEARS 1992 AND 1993 AND AGAINST CONSIDERATION OF SUCH CONFERENCE REPORT

Mr. MOAKLEY, from the Committee on Rules, submitted a privileged report (Rept. No. 102-316) on the resolution (H. Res. 281) waiving all points of order against the conference report on the bill (H.R. 2100) to authorize appropriations for fiscal years 1992 and 1993 for military activities of the Department of Defense, for military construction, and for defense activities of the Department of Energy, to prescribe personnel strengths for such fiscal year for the Armed Forces, and for other purposes, and against the consideration of such conference report, which was referred to the House Calendar and ordered to be printed.

#### PERMISSION FOR COMMITTEE ON ENERGY AND COMMERCE TO HAVE UNTIL 6 P.M. ON FRIDAY, NOVEMBER 15, 1991, TO FILE REPORT ON H.R. 3635, PREVENTIVE HEALTH AMENDMENTS OF 1991

Mr. WAXMAN. Mr. Speaker, I ask unanimous consent that the Committee on Energy and Commerce may have until 6 p.m. on Friday, November 15, 1991, to file its report on H.R. 3635.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

#### PERMISSION FOR COMMITTEE ON ENERGY AND COMMERCE TO HAVE UNTIL 6 P.M. ON FRIDAY, NOVEMBER 15, 1991, TO FILE REPORT ON S. 1475, REAUTHORIZATION OF PROGRAM PROVIDING FOR PROTECTION OF MENTALLY ILL

Mr. WAXMAN. Mr. Speaker, I ask unanimous consent that the Committee on Energy and Commerce may have until 6 p.m. on Friday, November 15, 1991, to file its report on S. 1475.

The SPEAKER. Is there objection to the request of the gentleman from California?

Mr. WALKER. Reserving the right to object, Mr. Speaker, I could not hear the gentleman. I am not certain exactly what we are doing.

The SPEAKER. The gentleman from California is asking that the Commit-

tee on Energy and Commerce may have until 6 p.m. Friday to file a report on S. 1475.

Mr. WALKER. Mr. Speaker, this has been cleared with the minority?

Mr. WAXMAN. Mr. Speaker, if the gentleman will yield, yes, it has.

Mr. WALKER. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

#### REREFERRAL OF H.R. 3237 TO COMMITTEE ON THE JUDICIARY

Mr. FASCELL. Mr. Speaker, I ask unanimous consent that the Committee on Foreign Affairs be discharged from further consideration of the bill (H.R. 3237) to extend the terms of office of members of the Foreign Claims Settlement Commission, and that the bill be referred to the Committee on the Judiciary.

□ 1840

The SPEAKER. Is there objection to the request of the gentleman from Florida?

Mr. WALKER. Mr. Speaker, reserving the right to object, I do so to inquire of the gentleman from Florida [Mr. FASCELL], has this been cleared by the minority?

Mr. FASCELL. Mr. Speaker, will the gentleman yield?

Mr. WALKER. I yield to the gentleman from Florida.

Mr. FASCELL. I thank the gentleman for yielding.

Mr. Speaker, it has, and I am beginning to wonder about the communications system on the other side.

I can assure the gentleman it has been cleared.

Mr. WALKER. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from Florida?

There was no objection.

#### LEGISLATIVE PROGRAM

(Mr. GINGRICH asked and was given permission to address the House for 1 minute.)

Mr. GINGRICH. Mr. Speaker, I take this time to inquire of the distinguished majority whip the schedule, and I yield to the distinguished majority whip, the gentleman from Michigan [Mr. BONIOR].

Mr. BONIOR. I thank the gentleman for yielding.

Mr. Speaker, I say to my friend from Georgia the schedule of next week is as follows. We are finished with votes this week.

The program for the House of Representatives for the week of the 18th of November, 1991, and into the week of November 25, 1991, is as follows. Does

the gentleman request that I read, which I would be happy to, the 22 titles on suspension?

Mr. GINGRICH. No. I think we can stipulate that there are 22 titles that will be up on suspension, and Members can address the schedule as announced to learn what those 22 are.

The titles referred to are as follows: House Resolution 201, recognizing the Congressional High School Art Competition.

H.R. 3394, Indian Self-Determination and Education Assistance Act.

S. 1720, Navajo-Hopi Relocation Program reauthorization.

H.R. 355, drought assistance relief, concur with an amendment.

H.R. 1304, Telephone Advertising Consumer Rights Act.

S. 1475, Protection and Advocacy for Mentally Ill Individuals Amendments Act of 1991.

H.R. 3635, Preventive Health Block Grant Amendments of 1991.

H.R. 2722, Abandoned Infants Assistance Act of 1991.

H.R. —, Metropolitan Washington Airports Act Amendments of 1991.

H.R. —, authorizing the President to transfer certain limited equipment pursuant to the CPE Treaty.

House Concurrent Resolution 188, concerning freedom of emigration and travel for Syrian Jews.

House Resolution 262, congratulating Daw Aung San Suu Kyi on receiving the Nobel Peace Prize and expressing continued congressional concern about human rights abuses in Burma.

House Concurrent Resolution 216, regarding forced labor in Chinese prisons.

House Concurrent Resolution —, regarding Zambia's transition to democracy.

H.R. 3728, to provide for a 6-month extension of the Commission of the Bicentennial of the Constitution.

H.R. 2763, National Geological Mapping Act of 1991.

H.R. 2790, Cave Creek Canyon Protection Act of 1991.

S. 668, grants to Indian Tribal governments to regulate environmental quality on Indians' reservations.

H.R. 3012, designating the White Clay Creek for potential addition to the National Wild and Scenic Rivers System.

H.R. 3245, designating certain National Forest System lands in the State of Georgia as wilderness.

H.R. 1592, increasing the size of the National Forest System.

Mr. BONIOR. Mr. Speaker, we will meet at noon on Monday to consider the 21 bills on suspension. Recorded votes on the suspensions will be postponed until after debate on all the suspensions.

Mr. Speaker, we have alerted our people to expect votes by 2:00 or 2:30, which would appear to be early, given the number of suspensions. But that has been the case in recent days.

So I want to make sure people are aware of the fact that we could expect

votes that early, although it is not likely, given the number that we are talking about.

Mr. Speaker, let me say we will do H.R. 2100, the Defense authorization conference report for 1992, with 1 hour of debate. Action may be necessary, although we do not anticipate it, the Labor/HHS veto override on that particular piece of legislation.

On Tuesday, the 19th of November, we will meet at 1. I believe the gentleman from Georgia's party has a conference on that day, if I am not mistaken.

On Tuesday, the House will meet at 1 p.m., and we will consider H.R. 3559, the Medicaid moratorium amendments of 1991, subject to a rule; and H.R. 2130, the National Oceanic and Atmospheric Administration Authorization Act of 1991, under a modified open rule, 1 hour of debate.

Wednesday, November 20, and the balance of the week and perhaps into the weekend, the House will meet the balance of the week at 10 a.m. Conference reports are expected on the Department of Defense appropriation bill, on the California Desert Protection Act, on the Presidential election campaign fund fairness, on House of Representatives campaign spending limit and Election Reform Act of 1991; H.R. 3435, Resolution Trust Corporation Restructuring Act of 1991, the RTC bill; and H.R. 2038, the intelligence authorization for fiscal year 1992 conference report.

Mr. Speaker, I would also say that in light of the vote this evening on the banking bill, Members should expect to receive that bill at some point next week. And, of course, other conference reports at the end of the session will be announced later if they still progress through the committees.

Mr. GINGRICH. I thank the majority whip for outlining the probable schedule.

Let me ask a couple of things.

First of all, I notice the absence, at least I believe it is absent, of the so-called October surprise task force. Does the gentleman know if that resolution is likely to come to the floor?

Mr. BONIOR. I do not. I frankly do not know the status of that, but I would be happy to find out for my colleague.

Mr. DORNAN of California. Mr. Speaker, will the gentleman yield?

Mr. GINGRICH. I yield to the gentleman from California [Mr. DORNAN].

Mr. DORNAN of California. I thank the gentleman for yielding to me.

Mr. Speaker, we were so busy today you just might not have noticed it, this item in the Style section of the Post. Gary Sick sold his sick theory to Hollywood for \$500,000. So do not tell me that rumor-mongering does not pay off in this city. And Oliver Stone, a quote, conspiracy buff, who is releasing a sick film called "JFK," for Christmas, he will be the one directing this film.

Mr. WEISS. Mr. Speaker, regular order.

Mr. GINGRICH. Mr. Speaker, reclaiming my time, let me ask also briefly, if I might just observe for the minority side: I have a suspicion that Members should be prepared to work very, very late and probably up until Monday or Tuesday, at the earliest, of the following week. I say that only because on our side I do not see any votes for banking reform, frankly, or for the clean refunding of the bank fund. And I have a hunch that today's vote on the Resolution Trust Corporation—that is, the vote today indicates the Resolution Trust Corporation is going to have a very hard time passing.

I just want to say on our side I think Members should be prepared to come and camp for a while. I think this could be a very long period starting next weekend.

#### ADJOURNMENT TO MONDAY, NOVEMBER 18, 1991

Mr. BONIOR. Mr. Speaker, I ask unanimous consent that when the House adjourns on tomorrow, Friday, November 15, 1991, it adjourn to meet at noon on Monday, November 18, 1991.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

#### HOUR OF MEETING ON TUESDAY NEXT

Mr. BONIOR. Mr. Speaker, I ask unanimous consent that when the House adjourns on Monday, November 18, 1991, it adjourn to meet on Tuesday, November 19, 1991, at 1:00 p.m.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

#### NOTICE OF CONTINUATION OF NATIONAL EMERGENCY WITH RESPECT TO IRAQ—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 102-162)

The SPEAKER pro tempore (Mr. ROEMER) laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, without objection, referred to the Committee on Foreign Affairs and ordered to be printed.

(For message, see proceedings of the Senate of today, Thursday, November 14, 1991.)

#### DISPENSING WITH CALENDAR WEDNESDAY BUSINESS ON WEDNESDAY NEXT

Mr. CARDIN. Mr. Speaker, I ask unanimous consent that the business

in order under the Calendar Wednesday rule be dispensed with on Wednesday next.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Maryland?

There was no objection.

□ 1850

INITIAL REPORT ON THE INQUIRY OF THE COMMITTEE ON STANDARDS OF OFFICIAL CONDUCT INTO THE OPERATIONS OF THE HOUSE BANK

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York [Mr. MCHUGH] is recognized for 5 minutes.

Mr. MCHUGH. Mr. Speaker, I rise today to make an initial report to the House on the inquiry of the Committee on Standards of Official Conduct into the operations of the facility commonly known as the House bank. I serve as acting chairman of the committee for purposes of this inquiry, and I am making this interim report to let Members know what we have done, what we plan to do, and how long it is likely to take.

While it is understandable that rumors will circulate in a case like this, one of the reasons this report is being released is to set some of those rumors to rest.

HOUSE RESOLUTION 236

This inquiry is being conducted pursuant to House Resolution 236, which was agreed to on October 3, 1991. It directed the committee, or a subcommittee thereof, to examine the operations of the House bank for a period commencing July 1, 1988, and to determine whether those operations or the use of the bank by Members, officers, or employees involve, "questions of potential violation of the rules of the House or any other applicable standards of conduct."

In making this determination, the committee was instructed to consider the following factors:

First, whether Members, officers, employees, or others abused the banking privileges by routinely and repeatedly writing checks for which their accounts did not have, by a significant amount, sufficient funds on deposit to cover;

Second, the bank's practices with respect to nonaccountholders or checks not written on House bank accounts transacted at the bank's facilities; and

Third, the general operation and management of the bank by the Sergeant at Arms and his employees.

If, after its review, the committee concludes that any individual Member, officer, or employee may have violated a House rule or other applicable standard, the committee is directed to consider the initiation of an inquiry, if appropriate. This refers to a preliminary

inquiry as more fully described in the committee's rules.

In summary, the House has instructed the Committee on Standards to examine the operations of the House bank, the practices of those who used it, and then to determine whether those operations or practices constituted potential violations of the rules of the House or any other applicable standards of conduct.

SUBCOMMITTEE OF INQUIRY

The full committee met on October 9 and, pursuant to House Resolution 236, authorized the acting chairman and ranking Republican member to designate a six-member subcommittee to conduct the inquiry. The subcommittee was appointed on October 11 and, in addition to myself, it includes Mr. HANSEN, Mr. CARDIN, Mr. GRANDY, Mr. MCDERMOTT, and Mr. GOSS.

Since its appointment, the subcommittee has taken extensive testimony from the General Accounting Office [GAO] and all key employees of the House bank. The subcommittee staff has also interviewed representatives of the Riggs Bank and the Treasury Department. On the basis of these interviews and testimony, the subcommittee has an understanding of the bank's operations, which I will briefly describe in just a few moments. However, it became readily apparent to the subcommittee that in order to judge the practices of those using the bank, much more information would have to be gathered than was available.

For example, to determine whether any Members potentially violated any relevant rules or standards in overdrawing their accounts, the subcommittee must have a history of those accounts for the period in question. The House bank did not maintain such a history, nor have prior audits by the GAO compiled one.

Some statistics have been reported in the press regarding overdrafts by Members. The statistics have been taken from GAO audits covering a 2-year period from July 1, 1988, through June 30, 1990. On the basis of these reports, some people have concluded that there is a comprehensive list of Members' accounts which includes all of their overdrafts. The subcommittee has no reason to believe that such a comprehensive list exists. What does exist are GAO working papers prepared in connection with its audit and sampling activities, which I will now describe. Prior GAO audits have been conducted to determine whether the financial statements of the Sergeant at Arms reasonably reflect its financial condition. Those audits were not designed to track the accounts of individual Members.

However, during the 2 audit years in question, the GAO did sample lists of overdrafts maintained by the bank on a daily basis. The sole purpose of this sampling was to determine the general

magnitude of the overdraft problem. For example, for the audit period July 1, 1988, through June 30, 1989, GAO calculated the number and face amount of overdrawn checks for 1 day in each month of the 12-month period. It employed a different sampling technique for the second audit year. For the period July 1, 1989, through June 30, 1990, it counted all overdrawn checks, 8,331, but only made an analysis of those with a face amount of \$1,000 or more.

I want to emphasize that these GAO audits sampled only a limited number of checks for a limited time period, and considered only the face amount of those checks. Although these samples were useful in assessing the general magnitude of the overdraft problem, they are wholly inadequate if the subcommittee is to meet its responsibilities under the House resolution. To judge the practices of account holders during the 39-month period at issue, we must have for each account the total number of overdrawn checks, the amount by which the account was overdrawn in each case, and the period of time each overdrawn check was unredeemed.

Unfortunately, this information is not easily accessible and will take time to compile. It is not stored in any computer or on any master list previously prepared. The information can be obtained only by a page-by-page examination of the daily settlement sheets maintained at the House bank, and by comparing the face amount of each overdraft listed on those daily sheets with each Member's monthly account statement. In some cases copies of individual checks stored on microfilm may also have to be examined. All of these records are now in the custody of the subcommittee.

The subcommittee has arranged to have GAO detail a number of its auditors to the subcommittee to collect this information. We are most anxious to expedite this inquiry, but collecting the necessary information will take time. The GAO has begun its work and has assured the subcommittee that it will be able to provide all the necessary information by the end of January 1992. We sincerely regret this delay, but to meet its obligations under House Resolution 236 the subcommittee must have complete information.

I would like to stress that the subcommittee does not now have one comprehensive list of Members and their overdrawn checks. In fact, we have asked GAO to provide us with information on Members' accounts in coded form, that is, without giving us the Members' names. We do not need names to make judgments about account practices. The subcommittee believes that this approach will provide greater assurance that its judgments will be made without reference to personalities or party affiliation. Of course, if the subcommittee ultimately

determines that certain account practices may have violated House rules or another applicable standard, the identity of such account holders will become relevant. The subcommittee, however, has made no decision with regard to disclosure.

#### OPERATIONS OF THE HOUSE BANK

I would now like to relate in brief some of what we have learned about the operations of the facility known as the House bank. A more exhaustive treatment of the bank's operations is contained in a recently released report by a task force of the Committee on House Administration, which has permanent responsibility for oversight of all functions of the Office of Sergeant at Arms, including the House bank. I would encourage Members to read that report, particularly those portions dealing with the House bank's operating practices, and will not take the time to restate here the subcommittee's substantially similar findings regarding those practices. I would also note that, pursuant to House Resolution 236, all bank and check cashing operations of the Sergeant at Arms must cease by December 31, 1991.

#### ACCOUNT CHECKS

The House bank is actually a disbursing office and a cooperative check-writing and check-cashing facility that utilizes a pooled fund of Members' money to conduct its activities. There are no taxpayer dollars involved in the common fund. The only account holders are Members who choose to have their salaries deposited in the common fund. Additional deposits are permitted.

The bank makes no loans and pays no interest to Members on their deposits. It issues its own checks to account holders, which may then be used by Members to draw on the fund. These checks are processed by the Federal Reserve System in the same manner as checks issued by commercial banks.

In addition to account holders, check-cashing privileges at the House bank were available to former Members, officers and employees of the House, and members of the press. Nonaccount checks deposited or cashed at the House bank are cleared through the system by the Riggs Bank.

The current controversy derives from the long-term practice of the bank to honor, with rare exceptions, any account check presented to it, regardless of the balance in the Member's account. The bank's routine procedure was to withhold checks with insufficient funds—overdrafts—from the daily posting and debiting process, contact each Member who had written such a check, and then post the check when a deposit was made to cover it. Thus, a Member's monthly account statement would not contain any indication of the overdraft and would never register a negative balance. In addition, no charge was assessed by the bank for overdrawn checks.

Apparently, this has been the standard practice of the bank for at least 30 years, and probably many more. In this regard prior GAO reports are instructive. In fiscal year 1963, according to GAO, there were 5,660 overdrafts. In fiscal year 1969, there were 10,369. In fiscal year 1972, there were 12,309. The reports for these years note, rather matter of factly, that the Sergeant at Arms considered the overdrafts to be an advance of salary.

While, of course, salaries and other operating costs of the House bank are paid from appropriated funds, there is no evidence that any taxpayers' money or any money in the Member accounts were lost at any time because of the overdraft practices.

On the day a check with insufficient funds was presented at the bank, the Member's name and the face amount of the check were listed on the back of the settlement sheet for that day. Other checks which raised unrelated technical questions, such as a questionable signature, were also listed there. This is the only list of overdrafts maintained at the bank. To determine how many overdrafts a Member had during the 39-month period covered by this inquiry, the committee must examine each daily settlement sheet. To determine the amount by which each check was overdrawn, there must be an additional step of examining the Member's monthly statement to ascertain the account balance on the day the check was presented.

There is no evidence that Members or other users of the bank were ever provided written guidelines covering the bank's operations, including how overdrafts would be handled. The bank's employees testified that they never encouraged overdrafts, but they did handle them in ways that were handed down to them when they assumed their positions, in some cases many years ago. These employees, as well as the Sergeant at Arms, testified that as a general rule overdrafts were dealt with in the following manner:

First, with respect to an overdraft that was presented at the bank a day or two before bank employees knew a deposit would be made sufficient to cover the overdraft, the employees would simply hold the check until the deposit was made. In these cases, Members would not be notified and, therefore, would have no reason to know their names appeared on the daily settlement sheets. For example, since paychecks were sure to be deposited on the first day of the month, calls were not made to Members whose overdrawn checks were presented on the last day or two of the month.

Second, if an overdraft were presented to the bank more than 1 or 2 days before an adequate deposit was certain to be made, a bank employee would generally call the Member, notify the Member of the overdraft, and

ask that it be covered. However, if the overdraft amount did not exceed the next month's deposit for net salary, the bank would continue to hold the overdraft until the salary deposit was made.

Third, in those cases where the overdraft or a combination of overdrafts exceeded the next month's net salary deposit, which bank employees stated were significantly fewer in number, the bank would notify the Member and ask that the overdrafts be covered or, according to the testimony of one employee, at least be brought down to an amount less than the next month's deposit. If the Member did not respond within 2 or 3 days of being notified, or otherwise indicated the overdrafts could not or would not be so reduced, the bank, at least in some cases, returned the overdrafts to maker, that is, sent the checks back through the system and did not hold them. In these cases, the Bank employees considered the overdrafts to pose a more serious problem because there was no assurance that they would be covered by the next scheduled salary deposit.

Fourth, in those very limited cases where a Member presented a check with insufficient funds to cover overdrafts the bank was already holding, the bank would sometimes advise the Member that he or she could no longer cash or deposit personal checks at the bank window.

In some of the situations described, the Sergeant at Arms would be asked by bank employees, or would himself volunteer, to talk with Members who had not responded in a timely fashion to notifications that their accounts were overdrawn. The Sergeant at Arms testified that in those cases he would personally encourage Members to bring their accounts current.

#### NONACCOUNT CHECKS

While the focus of attention has been on overdrafts by Members who maintained accounts, House Resolution 236 also directs the committee to review bank practices with respect to nonaccount holders and checks not drawn on the House bank.

This would cover checks cashed at the House bank window by Members, whether or not they are account holders, by officers and employees of the House, and by others with check-cashing privileges. Generally, the House bank cashed all such checks without first determining whether the check was backed by sufficient funds.

The GAO report published in February 1990, covering the period July 1, 1988, through June 30, 1989, noted that many individuals, including one Member, the Sergeant at Arms, and a former teller, chased several checks at the House bank, drawn on commercial banks, which did not have sufficient funds to cover them. Pursuant to the resolution, these practices will be examined.

Although the House bank does maintain a computer program containing the names of employees who have cashed insufficient funds checks, it contains information only for the current calendar year. More detailed information is not readily available. Aside from the GAO records relating to its February 1990 report, the full record of nonaccount check-cashing for the 39-month period can only be obtained from an examination of photocopied checks, some of which are in the possession of the House bank, and others of which are in the possession of the Riggs Bank. The subcommittee is in the process of determining how much of this information can be obtained within a reasonable time.

In conclusion, Mr. Speaker, the subcommittee is proceeding as promptly as possible, consistent with its having all relevant information before reaching any final judgments.

□ 1900

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Iowa [Mr. GRANDY] is recognized for 5 minutes.

[Mr. GRANDY addressed the House. His remarks will appear hereafter in the Extensions of Remarks.]

□ 1910

REPORT ON INQUIRY OF COMMITTEE ON STANDARDS OF OFFICIAL CONDUCT INTO OPERATIONS OF HOUSE BANK

The SPEAKER pro tempore (Mr. ROEMER). Under a previous order of the House, the gentleman from Maryland [Mr. CARDIN] is recognized for 5 minutes.

Mr. CARDIN. Mr. Speaker, I take this time in order to afford any other member of the subcommittee or any Member of the House who wishes to use that time in regard to the comments of the chairman of the Committee on Standards of Official Conduct.

Mr. HANSEN. Mr. Speaker, will the gentleman yield?

Mr. CARDIN. I yield to the gentleman from Utah.

Mr. HANSEN. Mr. Speaker, this is an interesting investigation we are finding ourselves in. I think Chairman MCHUGH did an excellent job in outlining and framing where we are trying to go in this particular investigation.

Mr. Speaker, I have been on this committee now for 11 years. I remember starting with ABSCAM and going through all of them, and all of the others were relatively easy. Because we had a direct target. We could shoot at that and knew who we were going for. Everybody on the House floor would get worried and nervous and excited because so and so was up before the Ethics Committee. That is almost like

having the IRS look at you. Everybody worries about it for a while.

But then they forgot about it, because they got involved in their regular walks of life and what they do, and they said, "Gee, I hope it comes out for him." But they forgot about it.

This is the first investigation in those 11 years that I have sat on this committee where everyone is nervous. Even the very clean who have their letter from the Sergeant at Arms and think they can hold it up and proudly say they are clean, they are nervous, because this investigation has the possibility of throwing disrespect on the entire House.

So, because of that, the rumor mills are turned up. They are turned up to the highest volume I have ever seen them here.

I think the members of the Ethics Committee can walk on the floor and will be asked a dozen times a day what is going on. Or somebody is going to come to you and you feel like a father confessor, and say, "I am very sorry, I don't know, I can't tell you." They tell you about the one or two checks that they bounced and how bad they feel about it, and they wish they had never done it, but it was an oversight, and everyone has a great excuse for it. I have not heard one that is not a very plausible excuse.

However, we are moving along. As the chairman pointed out, we are going through these steps.

What are we doing? We had the GAO in, and they explained to us what they have done. We had the bank people in, and they have explained what they have done. We will possibly have many other people come in.

Out of that, slowly this thing will grind down and we will come to the point where we are able to say whether or not there are abusers.

Now, anybody watching this thing, or all the great legal professors of the world who are watching it, I would like to see if in Black's Dictionary or somewhere else someone can give me the definition of an abuser of checks in the House bank, which is not a bank. I would kind of like to see that, because I think we are going to have a very difficult time determining in our own hearts and minds what constitutes an abuser.

I do not know who it is. Does anybody know? I will yield if you want to tell me what it is. I do not think we know.

But it will fall on 14 of us to determine what an abuser is. Then we are going to have to start working and say now that we have found an abuser, whatever that is, we now have to find out what rule applies.

We cannot hang anybody if we do not have something to hang them on, so to speak. We cannot even send a letter of reproval to them, unless we have something to do it with.

So we will plough through the books, and our talented legal counsel who sits with us will go through the books. Out of that, hopefully we can find something that we can hang it on.

Now, we are always hit, and letters come in to us every day saying gee, in my bank I cannot do that.

We are not working under the same rules as the Zion Bank in Salt Lake City or Riggs Bank here in Washington, DC. We are working under our own set of rules. So we are going to have to work that out.

I do not think, and I resent the idea that people think that this committee is going to whitewash this. No such thing. But it does take time.

I do not blame the Members for being impatient. Of course they are impatient. They want to get exonerated, get this thing over with, and go on with their lives. We have got enough Congress bashing around the United States without looking for more, and this has brought disrespect on us. It is unfortunate that it has.

So it falls on the 14 of us to somewhat come up with an idea, which we are doing, which is well-stated by the gentleman from New York [Mr. MCHUGH], on how we are supposed to proceed.

I would hope we would keep foremost in our minds that even though we say it a lot, I hope if we ever meant it, ever, that we have been here, the institution is absolutely bigger than any one individual here.

There are 435 of us, and I would hope we would realize that for 200 years we have been a beacon to the world, a bastion of freedom, understanding, and fair play, and everything that is good in the world. It would worry me if anyone gets so greedy, so worried about their own salvation, their own reelection, that they do not realize that this institution is really more important than any one of us.

I would hope, and I appreciate my colleagues who have worked on this, that we continue a clean, fair, honest investigation that will clear up this matter, not only in the minds of 435 of us, but also to the American public.

REPORT ON INQUIRY OF COMMITTEE ON STANDARDS OF OFFICIAL CONDUCT INTO OPERATIONS OF HOUSE BANK

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Florida [Mr. GOSS] is recognized for 5 minutes.

Mr. CARDIN. Mr. Speaker, will the gentleman yield?

Mr. GOSS. I yield to my friend, the gentleman from Maryland.

Mr. CARDIN. Mr. Speaker, I appreciate the gentleman yielding.

As a member of the subcommittee, I want to associate myself with the comments of the gentleman from New York

[Mr. MCHUGH], our chairman, and the gentleman from Utah [Mr. HANSEN], concerning the reason why we have issued this interim report and the process that we are following.

In order for us to comply with the instructions of the House of Representatives by House Resolution 236, it is important that we make an objective and complete investigation of all of the material that we must go through. That is going to take some time, and that is the reason why we thought it was important to report to the House with an interim report telling the process that we are following.

So I just really want to associate myself with the comments of my colleagues on the subcommittee.

Mr. GOSS. Mr. Speaker, reclaiming my time, I yield to my friend, the honorable gentleman from Iowa [Mr. GRANDY].

Mr. GRANDY. Mr. Speaker, I thank the gentleman for yielding.

Mr. Speaker, I, too, want to add my voice in support to the chairman's interim report which has the support of the subcommittee and the full committee. We have all been fully apprised of its contents, participated in its preparation, and advised those members who are not on the subcommittee of its contents this morning in a meeting.

Mr. Speaker, I only want to make a couple of points. One of them was made very well by our distinguished ranking member. There is no such thing as a simple investigation in the Committee of Standards of Official Conduct. It may look that way when the story first breaks in the paper. But when the committee sits down to deliberate the facts and sorts out the rumors, it never gets easier, and it never gets shorter.

Although I am not content to confront a job that will probably take us to the end of January just to get the raw data, I find no other solution. If there is not going to be a comprehensive, exhaustive review of these records, we are not doing justice to Resolution 236.

But I want to make two points that the chairman emphasized in his report that I think Members should keep in mind as we proceed.

One, the discovery of overdrafts does not determine a deficiency in a Member's account. That is what we must go in and reconstruct, and that is the painstaking work.

In other words, if a Member consistently and repeatedly was overdrawn and a check is overdrawn for \$10,000, he might very well have \$9,999 in his account. The data that has been published in the papers does not reveal that information.

The other important point to remember is that there was no established pattern of notification. Members might have drawn a variety of conclusions on whether or not they could use this trust fund, this depository fund, as an

account from which they could draw advances on their salary, but there was, to the best of our information and from the testimony that we have received under oath, no understanding of what that notification process was.

Let me just say finally that one of the problems that we have in the committee is constantly dealing with the rumors that surface throughout this investigation. In this last week there have been some very unfortunate rumors in various national publications regarding the committee, regarding the information.

I want to stress completely that this committee is not the source of those rumors. We have complete confidence in both the Republicans and the Democrats and the staff that serve on this committee. But it is inevitable that Members who are concerned and more than a little anxious about this investigation will draw some conclusions, and there is nothing we can do to avoid that except to periodically assure Members that we are proceeding apace slowly and surely and will come to some kind of resolution.

□ 1920

One final point that I think is very important: We have reached no final judgments, no interim judgments, and will not and cannot until all of our raw material is before us and we can begin to sort it out.

Mr. GOSS. Mr. Speaker, I thank the gentleman. I want to emphasize that under the leadership of the gentleman from New York, Chairman MCHUGH, we have had a very diligent and a very nonpartisan effort undergoing and, believe me, there have been stresses and strains as we all know because of the rumor mill.

I am very satisfied that a very faithful job is being done and, of course, that is what is required.

I am also convinced that to get the total truth is going to take some time, given the way the records are handled and the circumstances of the task that we have.

As the chairman has reported in his address here earlier, in his remarks, we are looking now at a January time work period and inevitably there is going to be more after that. We are aware of the sensitivity of timing. We are proceeding as rapidly as we can, consistent with good judgment and doing a faithful job.

We certainly know two things: that every individual Member of this institution wants, deserves and will receive fair treatment. The second thing we know is that we do not want to do anything that would bring discredit to the institution. I think we are fully charged on that, and I think we will live up to those responsibilities.

#### RESPONSIBILITY OF THE SUBCOMMITTEE

The SPEAKER pro tempore (Mr. ROEMER). Under a previous order of the House, the gentleman from Washington [Mr. MCDERMOTT] is recognized for 5 minutes.

Mr. MCDERMOTT. Mr. Speaker, I first of all want to acknowledge the able leadership of the gentleman from New York [Mr. MCHUGH], our chairman, and the gentleman from Utah [Mr. HANSEN], ranking member.

None of us sought the position on the Committee on Standards of Official Conduct. It is a responsibility that weighs very heavily on us because we stand in judgment on our conferees. We have to determine what is best for the House, and it is not an easy job.

I think there is no one in this body who seeks to sit on this committee. I, as a new Member in the Congress, am very impressed by the fact that the deliberations of the subcommittee have been without partisanship, that they have been focused on the issue and what is best for the House. I think the thing that probably troubles us, I came to the House of Representatives because I wanted to work on national health insurance. I wanted to spend my time on issues related to my district.

I find myself spending hour after hour sitting on this committee. I do it because I think it is something that has to be done, but I also do it in this way because I believe that every Member of this House is entitled to our full attention so that no one receives anything but fair treatment in this process.

It is difficult to stand in judgment of any other human being. It is not a responsibility that one takes lightly. I think that we all hope that we can get this done as quickly as possible. But I think quick and dirty Western justice is not what we want.

What we want is thoughtful and careful examination of the whole process so that no one is unjustly treated in this process. I fully associate myself with all the remarks in the report, and I thank the chairman for his leadership.

#### PROFITS FROM MEDICARE ALLOW THREE AMGEN EXECUTIVES TO TAKE MILLIONS IN PROFITS FROM STOCK OPTIONS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California [Mr. STARK] is recognized for 5 minutes.

Mr. STARK. Mr. Speaker, in the coming 12 months, the Amgen Corp. will make hundreds of millions in essentially pure profit from its sales of the drug EPO to Medicare patients with kidney disease. Despite these extraordinary monopolistic profits, the Bush administration has delayed in getting a better price for the taxpayer on this anemia-fighting drug.

These extraordinary profits have helped make Amgen one of the hot stocks of Wall Street.

How hot?

According to yesterday's Wall Street Journal:

Three insiders sold stock last month, according to SEC filings. Some of the 81,220 shares sold at between \$60.25 and \$61.25 each were acquired for \$4.50 through the exercise of options.

The chief financial officer, for example sold 24,000 shares at between \$60.25 and \$60.75, having exercised an option to buy them for \$4.50 a share just before they were sold—a profit of about \$1,344,000.

I'm for profits, Mr. Speaker, and Amgen makes a good and important product. But I'm not for monopoly windfall profits paid for by taxpayers through a regressive tax. Where is the moderation in the pricing? Where is the sense of citizenship or of restraint in selling an important product to very sick people?

Three hundred million a year in nearly pure profit from Medicare is too much. The Bush administration should renegotiate the price immediately or find a new way to buy the drug, break the monopoly, or make the drug itself at Government labs.

In one new biotech drug after another, the public—which funded the basic research that makes these drugs possible—is being taken to the cleaners.

#### HAITI

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York [Mr. OWENS] is recognized for 60 minutes.

Mr. OWENS of New York. The treatment of Haitian political refugees deserves the attention of decent people everywhere. I am concerned about Haitian political refugees because I am a human being. I am also concerned specifically and particularly because my district has the largest number of Haitian-Americans outside the community of Miami. So the second largest Haitian-American community in the country is in Brooklyn in the 12th Congressional District.

We all should be concerned about the savage and inhumane drama that is taking place on the seas between Haiti and the shores of the United States. The Haitians have again become the victims of military thugs who refuse to recognize democracy and have used their guns to force themselves upon the people, even after democracy so beautifully prevailed in an election in Haiti where 70 percent of the people who came out to vote voted for President Aristide.

President Aristide was elected by 70 percent of the voters. What greater democratic mandate could a president receive?

In the United States in the last election between 52 and 53 percent of the people who voted voted for the President of the United States. Over 40 percent of the people did not bother to come out to vote at all, but of those who came out to vote for President Bush, between 52 and 53 percent voted for him.

Every American would defend to the death the right of President Bush to serve his full 4-year term, despite the fact that only 52 percent voted for him. President Aristide received 70 percent of the vote, and certainly he deserves to serve out his full term.

There should be no ambivalence in the U.S. governmental policy toward President Aristide. Any person elected with that kind of mandate for the people deserves the support of the United States.

Nevertheless, the military bandits who are trained in the United States, who are paid by the United States, saw fit to take over Aristide's government. The coup took place on September 30. Today, we are still thrashing about for a strong and firm reaction which the military coup would respect in Haiti.

While we are doing that, however, the people of Haiti have reacted in large numbers by fleeing to the countryside and some have tried to flee the country completely. There is a great body of water between the United States and Haiti, so persons trying to flee Haiti to get to the United States must cross that body of water.

Many have drowned in the process; many others have been rescued on the seas by the Coast Guard or seized near the shores of the United States by the Coast Guard and are on ships. There are hundreds of Haitians who have been held on ships, United States Coast Guard vessels, for two and three weeks.

Hundreds of people have been detained on ships that are meant only to hold a few dozen people. They have been forced to sleep on the decks of these ships, men, women, children. And the entire civilized world ought to take a close look at what is happening.

We have an Auschwitz on the sea, a Buchenwald on the seas. It is outrageous.

The problem is the policies of the United States toward Haiti are always double-standard policies. We always apply a different standard to Haiti than we apply to other nations, and in the case of political refugees, we have consistently refused to recognize political refugees fleeing from Haiti and give them the same kind of treatment that we give refugees who are fleeing from other countries.

Our doors have been wide open. One of the great attributes of our country is that we have always reached out to those who were fleeing oppression. The country was founded by people fleeing oppression. We have been consistent most of the time, whether they are

Hungarian Freedom Fighters fleeing Communist oppression in Hungary or Salvadorans, Nicaraguans, people fleeing oppression in Central America or South America, we have always opened the doors. People from Lebanon, Palestine, all over we have consistently opened our doors to political refugees. Only the Haitians have been treated differently, only the Haitians.

□ 1930

Could it be the fact that the Haitians are black that has elicited this special inhumane treatment? I think we should take a close look at the situation where we are detaining people on the high seas because they are black. Clearly they are political refugees. There is no more clear definition of a political refugee than a person who is fleeing from bullets and bombs of his own government.

The military has taken over in Haiti. They have murdered at least 1,000 people in the process of the takeover and since the takeover. They are hunting down people in their own homes. They are shooting people at random in some cases in the streets. This is a military government which considers 70 percent of the people to be their enemy. After all, 70 percent of the people of Haiti voted to put Aristide in, and if the military junta is against Aristide, that means that they really consider 70 percent of the people to be their enemy. So 70 percent of the people are being persecuted, they are being oppressed, and clearly they deserve to be treated as political refugees in this country. We are not doing that.

The value system of this administration is blurred and confused in many respects, and here in foreign policy, where usually it is so clear, the value system is again blurred. We ought to take a look at the value system of this administration. It is blurred and confused at the least, and at worst the sense of morality of the present administration is completely out of control.

Let me digress for a minute and talk about the sense of morality of this administration on domestic matters. Today we considered a banking bill which had the full support of the administration. Fortunately it was voted down, the second time a banking bill has been voted down which was called reform, but it did very little to demand any responsibility from the banks, while it demanded from the American taxpayers a commitment of \$70 billion, \$70 billion was demanded to bail out the commercial banks. That is what was in the bill that we voted down today.

This is supported by the administration. They are very generous in the allocation of \$70 billion to the banks. We have already been generous and allocated \$200 billion to the savings and loan associations. That much money has been committed to the savings and

loan associations that squandered the money, stole it, and in various ways misused the trust, and we as taxpayers have been forced through the Federal Guarantee Deposit Program to replace that money. Unfortunately, this administration is so generous that large amounts of money that we never insured, large amounts of deposits that were not insured under the Federal Guarantee Program, because they were over the amount of \$100,000, we are also using taxpayer money to replace that money. Depositors who have millions of dollars in the bank, foreign sheikhs, various millionaires who had millions of dollars deposited in various banks not covered by the deposit insurance, we have generously, a handful of people in this administration have generously decided to give them the money back, beyond the law, beyond the commitment of the taxpayers, beyond the commitment of the voters. Nowhere in law are we obliged to cover billions of dollars' worth of uninsured deposits. Yet the administration is very generous to bankers and millionaires.

That same administration has shown a very mean spirit in fighting a Family Leave Act, a bill that would allow people to take time off from work if they are having a baby, adopting a baby, or if someone in the family is sick and requires help by the wage earner. The person who takes the time off would not receive a dime from the taxpayers. The cost of the program to the taxpayers would be zero. The person taking time off would not receive a dime from his employer, because it is unpaid leave, and yet we had that bill on the floor yesterday for the fourth time in 5 years. For 5 years the past administration or the present administration has fought a Family Leave Act which would provide help for new parents and help for people who are taking care of sick and ill relatives. That mean spirit is there, right beside the generosity of \$70 billion for the banks, commercial banks, and \$200 billion for the S&L's. It is a confused set of values.

The unemployment bill was passed finally today. We scored. I am happy to report to the American people we finally did something for the average American out there. An unemployment bill was finally voted out, but it was vetoed twice by this administration. It was vetoed twice. We squabbled and we debated endlessly about giving to the unemployed extended benefits from a fund that was created for that purpose. The money was there. It belonged to the unemployed, and yet we insisted that we cannot unbalance the budget or tamper with the budget in any way because it might upset the carefully synchronized budget agreement.

We did not talk about a budget agreement when it came time to make a commitment of \$70 billion to the commercial banks. In fact, the commercial banks have already gotten \$5 billion of

that \$70 billion, and we have already definitely committed another \$30 billion that they can go to. The additional \$40 billion is in a bill to be authorized by Congress because they want our stamp on it. If we do not authorize it, I have a sneaking suspicion that in the same fashion that the Treasury Department has given up the \$5 billion and the \$30 billion, they will go ahead and take the \$40 billion while the taxpayers sit by helpless while this raid on the Treasury goes on.

So this warped sense of values, this meanness toward the average American has now extended into foreign policy, and we are not willing to treat all political refugees the same. Political refugees have always been welcomed, but not the Haitians. The Haitians, every time they are in trouble, have difficulty in having the same standards applied to them. For years the Government of the United States has insisted that anybody who comes fleeing from Haiti automatically is trying to take advantage of a better economic situation in this country, they are looking for an opportunity for employment, they are looking for an opportunity to increase their income. That has been the policy for years. Basically it has gone unchallenged, and it has prevailed.

But now we have a clear situation where we have to label the people who are fleeing guns and bombs, the people who are fleeing an illegal, criminal government made up of soldiers who were not elected by anybody, made up of soldiers who deposed the President who had been elected by 70 percent of the voters, they are clearly political refugees when they are fleeing bombs and guns. People cannot sleep in their homes at night. They say they go out in the fields and in the hills because they are afraid that during the night while they are sleeping the soldiers will come. During the day people who walk the streets innocently in search of food or doing other shopping may find themselves caught in a hail of bullets, and at least 1,000 have been shot down.

So if that is not fleeing oppression, if that is not fleeing political persecution, then what is? So desperate are they that they risk being drowned at sea. They leave in sailboats, they leave in small boats, they come in all kinds of situations. But they are Haitians, and, therefore, they are not welcome.

Haiti, on the one hand, has been dominated for the past century by the United States and its various governments. Haiti cannot make a move without the approval of this Government. On the other hand, Haiti has been grossly neglected. Haiti has never been given the kind of foreign aid, Haiti has never been treated in the same manner as other governments are treated with respect to respect for its democratic efforts. This government

has always interfered in Haiti. We would not dare to have allowed any other government to move into Haiti and give assistance or have an influence of this kind that America has always enjoyed in Haiti. We have always insisted that we must be top dog in Haiti.

□ 1940

The French have a relationship with Haiti. The Haitians speak French. There is a long history. Haiti was once a French colony. It was the second nation to set itself free in this hemisphere. They fought the French, and they won their own freedom.

Nevertheless, longstanding tradition has existed where the French and the Haitians have been very close, but we have always refused to allow the French to have too much influence in Haiti, because it is just off the shores of the United States. We have dominated, the U.S. Government has dominated, and influenced whatever has happened in Haiti, good or bad, over the last 100 years. So the situation that the Haitians find themselves in is not totally to their making. They live in the shadow of the United States, and they have to abide to a great degree by our policies.

One of the unfortunate things that has happened is that even as we in this country, our various Presidents and administrations, have insisted that Haiti must have a democratic government, and Haiti must establish more democratic traditions, we even finally got around to removing "Baby Doc" after we allowed his father to rule for many decades, and even after Haiti complied, and they fought pretty hard. The Haitian people deserve a Nobel Prize for their efforts to establish democracy.

First, they fooled everybody by establishing a constitution, a first-rate constitution, democratic principles, democratic government, magnificently structured democratic institutions, a supreme court, a parliament, a president. They surprised everybody by producing a constitution, by voting for that constitution, and establishing it.

Then they surprised the world by setting up elections and beginning the process of elections, but the military at that time came out, and on election day, they mowed people down in the streets. It was the beginning of the counterattack by the military who saw certain privileges that they had enjoyed and certain power that they held, including the power to act in collusion with drug dealers and make a lot of money off of drug transmission through Haiti, they saw it threatened, so they began at that point to fight the establishment of democracy in Haiti. The Haitians persisted, and in one election after another, they finally reached the point where, by an overwhelming 70 percent, they elected Jean-Bertrand Aristide as the President of Haiti.

On September 30, 1991, President Jean-Bertrand Aristide was overthrown by the same bunch of military bandits and thugs who had fought democracy from the very beginning.

Gen. Raoul Cedras, the leader of the coup, announced that he was in charge. Nobody elected him, but he was in charge. He alleged that the President, Aristide, was overthrown for being undemocratic and perpetuating human rights violations. Here is the thug, murderer, criminal, bandit, taking over illegally and charging the President elected by 70 percent of the people with being undemocratic and with violating human rights. Can you think of anything more absurd?

The problem is that despite the fact that it was absurd, it was given some credence by the U.S. Government. Our U.S. Government, the State Department through various spokesmen, vacillated for days. They put out statements like they were upset by Aristide's violations of certain human rights. They never noted the fact that the people who had taken over from Aristide had murdered 300 people, and the number was growing. They never noted that fact during all of their statements.

In the weeks following the coup, the troops that were loyal to the military junta patrolled the streets, and especially in poor neighborhoods of the capital. The smallest two cities, they just sprayed the crowds with machineguns and rifle fire at random.

As I said before, the military looks upon all of the people, the 70 percent that elected Aristide, as being the enemy. The National Coalition for Haitian Refugees estimates that more than 200 persons were murdered in the first few days after the coup.

At this point, sources in Haiti that I have been in contact with through my district have estimated that 1,200 people have been killed at least.

Silvio Claude, the president of the Haitian Christian Democratic Party, was attacked by a crowd earlier, a crowd of people who were angry, and killed.

President Cedras claimed that Aristide gave the order for Silvio Claude and others to be killed, and yet there is no way to link that to President Aristide.

Supporters of Aristide go into exile, away from Haiti, they go into hiding on the island, they go into the bush every night, they are doing everything possible, and many have gone to Venezuela, to other countries.

On October 7, the Haitian legislature, under pressure from the Organization of American States to take some kind of action, moved to select Joseph Nerette, a Haitian supreme court justice, to be Haiti's provisional president. The pressure from the OAS was not to select a new provisional president. They were pressing them to ac-

cept the lawfully elected President, President Aristide, back, but because of the fact that the armed military, the bandits with guns, forced and threatened and intimidated the legislature, they put in President Nerette as the provisional president. They also selected Jean-Jacques Honorat, a former human rights activist, as the Prime Minister.

The great problem here is that instead of condemning the action of the army, its threatening and intimidating the legislature to do what it should not have done, the U.S. Government gave some credence, and the State Department spokesman gave some credence to this action by praising people like Jean-Jacques Honorat as being a great human-rights activist and a person with substantial credibility.

It does not matter what kind of credibility Honorat or Nerette may have. The important fact for this Nation and for all people who care about democracy, for the OAS, for the United Nations, for every civilized nation, is that Honorat and Nerette were not elected by anybody. Only Aristide was elected. Only Aristide received 70 percent of the vote. So it does not matter what kind of credentials they have.

We certainly would not want President Bush deposed by a Nobel Prize winner or somebody else with some great credentials in human rights and try to justify that because of that person's credentials.

We finally moved to impose a trade embargo, joining with the OAS and insisting that that trade embargo be enforced. There is some serious doubt about how well we are enforcing that trade embargo.

You know, the army was trained by the United States. The army is paid by the United States. They are still strong. Somebody must be paying them somewhere. We wonder about the effectiveness of this embargo, how little money is flowing for things like payment to the armed forces.

Despite this international embargo, the military grows stronger each day. It has shut down radio stations, and radio stations are the main source of news for the people in Haiti, because they are mostly illiterate.

Soldiers are searching the homes every day of leading Haitian businessmen and economists who opposed the coup. Very few businessmen opposed the coup. Most of the businessmen, most of the professionals were in favor of the coup, and the U.S. Government, the State Department spokesmen, have pointed that out, that after all Aristide should have done more to court the businessmen; he should have done more to court the professionals.

Well, he was elected by 70 percent of the people. Most of the people of Haiti are dirt poor. Haiti is not only definitely the poorest country in the Western Hemisphere, Haiti is probably one

of the poorest countries in the world. The poor have been oppressed by these professionals and the middle class for centuries.

Why should the poor who elected Aristide now be subjected to a government which is favored by the businessmen and the professionals who have always oppressed them?

There is some good news to report in all of this. Finally, the OAS delegation that has been frustrated since September 30 has decided to do something which is quite creative. They have called on the parliament of Haiti to meet with them outside of Haiti since the military refuses to allow an orderly meeting within the country. They are going to have a meeting somewhere outside of the country and attempt to establish negotiations between the parliament and President Aristide.

While we can look forward, I hope, in the next few days to some relief of this situation and a return to the lawfully elected Government of Haiti, we cannot forget that at this moment there are more than 700 people who were on boats seeking to escape who were picked up by the Coast Guard and who have been kept on ships, some for as many as 3 weeks. I am happy to report that we received information today that at least 400 of these people have now been discharged from the Coast Guard cutters onto the base at Guantanamo Bay in Cuba.

□ 1950

We are using the U.S. base at Guantanamo to set up temporary shelter and provide food and clothing for the Haitian refugees who had been detained on boats for several weeks.

I cannot stress too much the inhumanity of this situation. The thing got so bad that Coast Guard intercepted Haitians who were found on a boat that had already docked in the United States, the Coast Guard and the INS forced the captain of the ship to accept the Haitians back on the ship and they told the captain of the ship that it was his responsibility to see to it that none of those Haitians remained in the United States, that they be returned to Haiti.

The captain of the ship, following the orders he had been given by the INS, the Immigration and Naturalization Service, and the Coast Guard, decided to chain the black Haitians to the deck of the ship in order for them not to escape.

In 1991 in the United States of America, we had black people chained like slaves on ships in a United States port as a result of an order given by the U.S. Government.

When confronted with this fact, of course, the INS said, "We didn't chain them. They were chained by the captain of the ship."

It is like Adolf Hitler saying, "Well, I didn't order people into the

crematoriums. I didn't actually gas them. I privatized the gasing operation. I had private industry fill the gas chambers. I contracted out to a private consulting firm to lead people into the gas chambers. We had no responsibility."

Such outrages took place on the shores of the United States, largely because these people happened to be black. We find no other explanation. There are no precedents in the history of the country of refugees fleeing political persecution, being treated as the Haitians are being treated.

This is a racial issue. It has to be confronted head on as a racial issue.

We have a resolution that has been drafted by Congressman RANGEL that was introduced on October 10, House Concurrent Resolution 220:

*Resolved by the House of Representatives (the Senate concurring), That the Congress strongly condemns the unconstitutional seizure of power by the military junta in Haiti and supports the Bush administration's refusal to recognize the coup and strongly supports the Organization of American States efforts \* \* \**

And it also calls upon the Attorney General to suspend all deportation and exclusion proceedings for Haitians from the United States pending a resolution of the deep political and military crisis in Haiti.

Let me repeat. Suspend all deportation and exclusion proceedings for Haitians pending a resolution of the deep political and military crisis in Haiti as called for by the Inter-American Commission on Human Rights.

It also calls on the United States to designate Haiti under section 244(A)(b)(1) of the Immigration and Nationality Act relating to temporary protected status.

It calls upon the U.S. Coast Guard to begin a coordinated search and rescue at sea operation with respect to Haitians fleeing Haiti, stop the interdiction and the refoulement of Haitian boat people, bring Haitians rescued at sea to the United States for temporary safe haven and save those Haitians who flee the violence, the persecution and anarchy of their homeland, as called for by the Inter-American Commission on Human Rights.

It calls upon the Aristide government upon its restoration to respect and promote the human rights of all Haitian citizens.

What this resolution is calling for is nothing new. In all other cases of the Hungarian freedom fighters, of people fleeing chaos in the war in Lebanon, Palestine, all over the world as people are fleeing to this country for temporary relief, we have granted it. Only in the case of the Haitians have we not acted to provide temporary relief for persecuted political refugees. It is a racial issue. The Haitians are black.

I call upon all the organs of communication, television, radio, newspapers, to stop their blindness, to cease their

blindness and deal with what is happening on the high seas between Haiti and the United States.

Why, New York Times that prints all the news that is fit to print, why have you not reported on the status of Haitian refugees on Coast Guard cutters on the high seas?

Why, Washington Post, are you generalizing about what is going on in Haiti while you ignore the drama of the inhumane treatment of people on the high seas? Why?

I call upon organizations in the United States which are concerned about human rights or international organizations, like Amnesty International, every organization concerned about the rights of human beings should also be concerned about the rights of Haitians. They should all be concerned about the establishment of concentration camps on the high seas in U.S. Coast Guard cutters.

Mr. FALEOMAVAEGA. Mr. Speaker, will the gentleman yield?

Mr. OWENS of New York. I yield to the gentleman from the American Samoa.

Mr. FALEOMAVAEGA. Mr. Speaker, I have been listening with great interest to the comments of the gentleman from New York and I really appreciate the fact that the gentleman has brought this very important issue to the forefront, not only to share with our colleagues, but certainly with the general public concerning the people of Haiti.

I think it is a shame that there seems to be some kind of an exception made as far as our policy is concerned where we are not giving the same opportunities to those Haitians who should be considered as refugees, to be given the same opportunity as you would refugees coming from other countries of the world.

I wanted to ask my friend, the gentleman from New York, about the refugees coming out of Cuba. They are the same general area, and yet we seem to be giving greater treatment to the refugees coming out of Cuba than we are those coming out of Haiti. I would ask my friend if he could comment on that.

Mr. OWENS of New York. Mr. Speaker, the Cuban refugees were given an open door to enter the country. The refugees from Salvador, from Nicaragua, wherever there was deemed to be Communist conspiracy or violence generated by Communists, the door was thrown wide open.

Haiti has never catered to communism. It seems to be they ought to be praised for never allowing communism to take root on their soil. It seems they are unfortunate in that respect, however, because the policies of our Government would have been very difficult toward Haiti if they had a Communist party or a Communist movement, but Cubans fleeing from communism are given an open door and

allowed in in large numbers. Hungarian freedom fighters are given an open door.

This is part of the greatness of our country. I have no quarrel with it whatsoever. My problem is why do we suddenly become blind when the persecuted political refugees are black Haitians?

Mr. FALEOMAVAEGA. Well, Mr. Speaker, I want to commend the gentleman from New York for his honesty and his deliberations in bringing this to the forefront and letting the Members of this Chamber know about this inequity. I consider this a total inequity. These are not just Haitians. They are human beings and they certainly are seeking the same opportunities, the same benefits and the same things that all human beings would like to share, especially with the prosperity of this great Nation of ours.

I certainly would like to commend the gentleman from New York for bringing this special order to the attention of the Members and especially to the American public.

Mr. OWENS of New York. Mr. Speaker, I thank the gentleman for his comments.

Congress will have a chance to indicate whether they are going to act in complicity with the inhumane policy of the administration, because the resolution that has been proposed by Congressman RANGEL, we hope to have on the floor of the Congress next week. That is a simple resolution which can be summarized by saying, for God's sake, let us treat the Haitians as we treat all other political refugees anywhere else in the world.

I want to end my comments by calling upon the NAACP, the Urban League, Trans-Africa, the Urban Coalition, all the organizations which are primarily concerned with the well-being of African-Americans in this country or people of African-American descent everywhere. They sometimes give more attention to South Africa, to Zambia, to Zaire and places which are thousands of miles away than they give to Haiti, which is just off the shores of the United States. These organizations must redouble their efforts to fight racism in our foreign policy. The policy toward Haiti is clearly a reflection of racism out of control in our foreign policy. We must treat the Haitians as we treat political refugees everywhere else.

#### RECONCILIATION, NOT APOLOGIES, WITH JAPAN

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from American Samoa [Mr. FALEOMAVAEGA] is recognized for 60 minutes.

Mr. FALEOMAVAEGA. Mr. Speaker, there has been a great deal of debate lately in the Congress about Japan's

economic predominance and its strained relationship with the United States.

In Japan, there is also burning debate about what its future role should be as a responsible member of the international community.

Mr. Speaker, as we commemorate the 50th anniversary of the bombing of Pearl Harbor—and the entry of the United States into the events of World War II—let us take a moment to reflect on the significance of those events and Japan's reemergence as a preeminent economic power.

Mr. Speaker, the great events that brought the cold war to a close, and the 50th anniversary of Pearl Harbor prompts reflection on where the United States and Japan have been, how much we have accomplished, and where we ought to be going.

Mr. Speaker, it can be said that our relations are more uncertain today than at any time since World War II. Strains between our two countries have grown substantially in recent years as Japan's economic and technological power has developed enormously, relative to that of our country. Japan today is a major economic and technological power. Consequently, there is broad support in the United States for a more assertive and forceful United States policy toward Japan. But Congress faces a wide range of opinions on how strongly and in what ways the United States should press for change.

There are those who argue that greater pressure is needed to push the Japanese out of past practices that are seen as detrimental to United States interests. On the other side are those who argue that escalating United States pressure tactics will not, by themselves, appreciably meet United States interests in our relations with Japan.

Mr. Speaker, I understand that much of our frustration has a lot to do with the declining state of our economy—and the shift of much of that blame has been directed toward Japan. I am not saying that Japan is blameless for some of the problems we are facing—but given the interdependence we have with each other, it is imperative that we look at the problems we are facing in a fair and rational manner.

For example, while our trade deficit with Japan is still high—it has actually declined from \$56 billion in 1987 to around \$40 billion today. One might also note that our country last year alone conducted a \$310 billion trade relationship with the Asia-Pacific region, out of which the United States exported in excess of \$110 billion worth of goods to this region, and Japan has been our leading trade partner in the process.

Much has also been said about Japan closing its markets to American goods; however, I think it is important for us

to point out that with the exception of Canada, we export more to Japan than any other country in the world.

There is also a lot of consternation in our country about the flight of American companies to those countries offering cheap labor—and aggravating the problems of unemployment in this country.

Mr. Speaker, unemployment is a major problem facing our country at this moment, but we cannot in all fairness point the finger just at Japan for this. In fact, wages in Japan are as high as our own—in some instances, they are higher.

If anything, Japanese companies such as Honda, Sony, Toyota, and others have relocated major components of their manufacturing facilities to the United States.

I am disappointed that the President has decided to cancel his visit to Japan and other parts of Asia, originally planned for next month. Given the fact that he has visited Europe several times this year, this cancellation sends a clear signal to our allies in the Asia/Pacific region, that in our foreign policy, they continue to take a back seat to Europe and the Middle East.

I understand that the President is planning to travel to Hawaii to commemorate the 50th anniversary of the attack on Pearl Harbor. This is an emotional issue and a heavy price was paid by both the United States and Japan.

Following the surrender of Japan after World War II, the United States began a massive plan of reconstructing Japanese society. It was the goal of General MacArthur and President Truman to turn our enemies into allies—dictatorships into democracies. To that end, our policy of reconstruction has succeeded beyond anyone's imagination.

I am extremely concerned about the attitude of some who would turn the 50th anniversary of Pearl Harbor into an opportunity to rekindle old wounds.

Of particular concern to me is the rhetoric in some circles who demand that Japan formally apologize for Pearl Harbor and World War II.

Mr. Speaker, I ask those who take this position to examine our own record before we cast aspersions on the actions and motives of others.

Did we apologize to the American Indian for the annihilation of some of their tribes? Did we apologize to the native Hawaiians for the loss of their land and culture? Did we apologize to the U.S. citizens of Japanese ancestry who were wrongfully incarcerated during World War II? Did we apologize to the Japanese for the thousands of women and children killed by our atomic bombs dropped on Nagasaki and Hiroshima?

Mr. Speaker, we should never forget the courageous men and women of our country who fought and died at Pearl

Harbor. As a veteran myself, I know something about the horrors of war and the terrible price it extracts from mothers and fathers and children. But now is the time for reconciliation—not recrimination or apologies.

Mr. Speaker, I am saying that the United States and Japan should work toward improving our trade relations. This can only be done by working with the Japanese toward a more trusting relationship, one step at a time. This is the same process Secretary Baker has used to get a meaningful peace plan for the Middle East.

This cannot be done if we demand apologies from the Japanese. The negotiation process which must take place in the coming years requires that U.S. officials and negotiators be aware of the sensitivities involved. I sincerely hope the President reconsiders his decision to not visit Japan and other parts of Asia. He has the capacity to heal the wounds of that war so long ago and move us along the path of reconciliation.

Senator DANIEL INOUE of Hawaii, a highly decorated American veteran of the Second World War, has spoken eloquently on his expectation that President Bush should meet with the Japanese leaders to discuss the problems of our past and the potential for the future, and then return to the United States to pay tribute to those who died in the war. I wholeheartedly agree with the distinguished Senator from Hawaii.

It would take an act of great political courage for the President to set aside the destructive views of some of his more conservative advisors and listen to his heart—it is time to do the right thing, and not listen to the voices that preach hatred, bigotry, and vengeance.

As I call upon the United States to do the right thing, I also call upon Japan, to meet its responsibilities. For example, if Japan is to be treated as a coequal, it must share the responsibilities of a major economic power. This means that Japan must open up more of its markets for American goods and play a larger role to protect the international sealanes within 1,000 miles of its borders.

Mr. Speaker, the whole world will focus on what our leaders will do and say during the commemoration of the 50th anniversary of the surprise attack on Pearl Harbor.

Mr. Speaker, it is my sincere hope that next month on December 7 will be an occasion whereby our leaders and the leaders of Japan will sit down together and to meet with the spirit of reconciliation, and one of serious reflection not only of the past—but to put the past behind us, and to work together toward the future and for the betterment of not only our two countries, but for the world as well.

Mr. Speaker, I submit the following articles for the RECORD, which I believe will be of benefit to my colleagues.

Mr. Speaker, I yield back the balance of my time.

[From the Washington Post, Nov. 10, 1991]

#### REFORGING U.S. TIES WITH JAPAN

America's economic pain, side by side with Japan's huge successes, creates an uneasy backdrop for the 50th anniversary of Pearl Harbor next month. Trade and other tensions have been increasing, and although there are people of goodwill on both sides, the ongoing debate tinged with anger and emotion, is likely to get worse.

Although Japan—in the end—contributed \$13 billion (more than any other American ally) to the costs of the Persian Gulf War, its initial aloofness lowered American esteem and convinced many Americans that Japan preferred to benefit from global affairs without sharing the burdens.

"What has been called America's most important single foreign relationship, once central to regional peace and global prosperity, has lately turned unhealthy, and even nasty," writes Richard Holbrooke, former assistant secretary of state for East Asian affairs, in the current issue of *Foreign Affairs*.

Thus, it's unfortunate that President Bush—in a knee-jerk reaction to the stunning GOP loss in the Pennsylvania senatorial election—canceled his projected two-week trip to Japan and elsewhere in Asia. He has been ignoring this growing center of global economic power while concentrating on the Soviet crisis and on the Middle East.

Reaction in Tokyo was predictable: The new prime minister, Kiichi Miyazawa, was embarrassed, and other Japanese officials were saying publicly, according to the *Daily Japan Digest*, that "Washington takes Asia too lightly."

My view is that if Bush felt impelled to sacrifice some globe-trotting time, he would have done better to cancel his Rome NATO trip (who needed it?) and keep his dates in the Far East: The Pacific Basin could be as important to the United States' economic welfare in the next 50 years as was Europe in the last half century.

There is near unanimity that the end of the Cold War provides a basis—and a need—for a brand-new American approach to Japan. But there is no agreement on what should be done. At one end of the spectrum, hawks such as Rep. Richard Gephardt (D-Mo.) persist in the notion that the Japanese can be made "more like us" by beating them over the head with oppressive sanctions designed to reduce their trade surpluses. \* \* \*

The best-known is Shintaro Ishihara, author of "The Japan That Can Say No," who promotes narrow Japanese nationalism. Ishihara would have Japan ditch its alliance with the United States and assert military and economic independence.

Others search for more subtle ways of re-vamping and strengthening the U.S.-Japan relationship. In an article last year in *Foreign Policy* magazine, Selig S. Harrison of the Carnegie Endowment and Clyde V. Prestowitz Jr., president of the Economic Strategy Institute, argued that ever since the Truman administration, U.S. presidents "have subordinated U.S. economic interests to perceived geopolitical requirements."

Since the Soviets are no longer a military threat to the West, the United States can now challenge any disturbing Japanese trade actions on a case-by-case basis, focusing exclusively on the need to assure survival of strategic American industries, Harrison and Prestowitz suggest.

Harrison, a former Tokyo bureau chief of *The Washington Post*, said in a letter to me:

"I think the line that we take is the best way to sort things out so that the destructive type of 'Japan-bashing' ... is redirected."

The Commission on U.S.-Japan Relations for the Twenty First Century, headed by former Honeywell Inc. chief executive Edson W. Spencer, said in its final report published last week that Japan, long a junior partner, should be expected to play an enhanced role in both the Pacific Basin and global arenas.

The commission, composed of friendly business executives, academics and former American government officials, emphasizes American as well as Japanese mistakes that helped sour the relationship in recent years. Nonetheless, it called on Japan to drop more trade barriers and to erase a major source of anger and impatience here—the near total rejection of foreign investment in Japan.

Holbrooke offers a very sophisticated perspective. He recognizes errors made on both sides. His criticisms of Japan are to the point, without the hostility displayed by Dutch journalist Karel van Wolferen, author of "The Enigma of Japanese Power." Nor is Holbrooke forgetful of America's postwar generosity to Japan that helped it get on its feet at the end of the war in 1945. \* \* \*

He is frank to acknowledge that "there may still be an underlying racism, not always conscious, in the attitudes of some Americans toward Japanese." This is touchy ground. When I made the same observation recently about American racism at a Capitol Hill seminar, I was vigorously attacked by a member of Congress in the audience who said he was offended by the mere suggestion that Americans could be racist. Emotions ran high.

Citing research done by Prof. John Dower, a student of Japanese-American relations, I said: "Let me talk about an area that troubles me. There is a racist problem on both sides of the Pacific. The war exacerbated anti-Oriental prejudices that had long been part of American society. I talk to many people today who simply cannot put Pearl Harbor behind them. [Yet] if you ask about [the atomic devastation of] Hiroshima and Nagasaki, you get blank stares."

These deeply ingrained American feelings, coupled with Japanese resentment of what they consider to be unfair, do not bode well for the relationship. Holbrooke is not optimistic, because he believes it will be tough for many Americans to accept a more aggressive Japan. Japan has made enormous economic strides and will make more. Sometime shortly around the start of the 21st century, it will have a bigger economy than the United States—in absolute terms, not merely on a per capita basis.

That's devastating for the psyche of some Americans, taught in grade school to think we're always the biggest and the best. (Bush and Vice President Quayle still hammer away at that theme, and anyone who questions it is unpatriotic!) But the reality is different. Said Holbrooke: "Japan seems to be better at the very things on which Americans once prided themselves: quality products, hard work, sacrifice, strong family structure, a sense of national unity and patriotism."

The announced Democratic candidates for president recognize this dilemma, but most of them serve up variations on a protectionist theme, distanced only by nuance from Gephardt's. The Democratic proposals represent a yearning for the good old days, when Japan was content to be little brother to Big Brother. \* \* \*

It doesn't suit the '90s. Can we move toward a relationship of two equals, as

Holbrooke suggests? Only if we lock the door on the Ishiharas, Gephardts and the rest of the hard-liners.

[From the Washington Post, Nov. 12, 1991]

#### BAKER HOLDS TALKS WITH JAPAN'S PREMIER—TRADE, SECURITY DISCUSSED AT TOKYO MEETING

(By Don Oberdorfer)

TOKYO, Nov. 11.—Secretary of State James A. Baker III and Japanese Prime Minister Kiichi Miyazawa began today to reconfirm the U.S.-Japanese relationship in the post-Cold War era, affirming the need for close cooperation on regional and global affairs, but touching only lightly on the differences between their nations.

The symbolic beginning of U.S. relations with Japan's new government, which has been in office for less than a week, came in a 50-minute meeting in the prime minister's official residence.

Miyazawa, a colleague of Baker from the time each man was head of his country's treasury, set a businesslike tone at the outset of the discussion by announcing that he would speak to the secretary of state in Japanese and through an official translator although he can speak near-perfect English. A Japanese official present said Baker laughed at this decision by his old friend.

Each side began the discussion by making a number of requests of the other. Baker, who is on a nine-day tour of Asia, asked for Japanese help on problems regarding China, North Korea and the Middle East, as well as international economic problems and such bilateral issues as exports of auto parts to the United States and a Japanese contribution to the U.S. super-collider research program. Miyazawa asked for U.S. help in solving the issue of four Japanese islands that have been occupied by the Soviet Union since World War II and for U.S. forbearance on the touchy issue of Japanese barriers to rice imports.

Noting the importance of ties between two nations that together account for 40 percent of world economic output, Baker said in a speech here today that "nothing is more fundamental to the security of the region, to global economic growth, and indeed to the effectiveness of the post-Cold War international system than the U.S.-Japan relationship." Baker quoted approvingly the frequent assertion of former U.S. ambassador to Japan Mike Mansfield that the U.S. relationship with Japan is "our most important bilateral relationship, bar none."

"There are always some problems between Japan and the United States," Baker was quoted by Japanese officials as saying to Foreign Minister Michio Watanabe. But he went on to say, according to this account, that "we have the mechanisms to solve them; we are going to solve them."

In his talk with Miyazawa, Baker said that a trip to Asia by President Bush, which was called off last week, will be rescheduled "before long." U.S. briefers refused to be specific about timing in discussions with reporters, but an official traveling with Baker said the presidential trip here is expected to take place within the next two months. Bush's sudden postponement of the long-planned Asian journey has come under fire in the region.

Regarding the North Korean nuclear weapons program, which Baker described in today's talks as the most serious security problem in East Asia, Miyazawa agreed to pursue four-power discussions involving the Soviet Union and China as well as Japan and the United States in an effort to deter fur-

ther weapons development by Pyongyang. A U.S. briefer said Japan will not normalize relations with North Korea until Pyongyang agrees not only to international inspection but also to make no further effort to reprocess spent nuclear fuel into weapons material.

On the subject of Indochina, Baker was told Japan is ready to host an international conference here next year to raise funds for the restoration of war-torn Cambodia. Baker had requested that Japan offer major financial and human assistance to Cambodia. The Reuter news agency reported that Miyazawa had received parliamentary backing to send troops to Cambodia as part of a U.N. peacekeeping force there.

In a move that goes beyond existing U.S. policy, Japan has decided to offer substantial foreign aid to Vietnam, unofficially reported to be more than \$100 million, now that the war in Cambodia is on its way to settlement. Baker asked for Japanese help on the issue of U.S. servicemen missing in action from the Vietnam War, in Washington's view a continuing barrier to normalization of U.S.-Vietnamese relations.

On economic issues, Baker told Miyazawa it is of "utmost necessity" to successfully conclude the stalled Uruguay round of international trade negotiations, especially in view of the continued large trade imbalance between the U.S. and Japan. The Japanese prime minister, in turn, spoke of the "difficult problem" that exists in allowing imports of rice to the Japanese market, one of the unresolved issues in the trade negotiations.

A Baker aide described the meeting with Miyazawa as "not a negotiating session" but an opportunity to compare notes and begin a policy discussion with the newly installed Japanese government.

[From the Washington Times, Nov. 12, 1991]

#### JAPAN PURSUES ITS YEN FOR NEW ROLE IN WORLD

(By Warren Strobel)

TOKYO.—The United States recognizes Japan's desire for a greater international role and hopes to entice it into a global partnership with Washington, a senior U.S. official said yesterday.

For example, Tokyo wants to participate in the proposed multinational phase of Middle East peace talks, said a senior official traveling with Secretary of State James A. Baker III.

Mr. Baker meets with Japan's new government headed by Prime Minister Kiichi Miyazawa today on the first leg of three-nation tour that includes stops in South Korea and China.

Tokyo's willingness to get involved in Middle East peace efforts represents the latest example of Japan shedding its reluctance to use its clout abroad, said the official, who asked not to be named.

The not-yet-scheduled multinational Middle East meetings would deal with regional problems—some of which, like water use, refugees and economic development, could benefit from Japan's huge financial resources.

Mr. Baker is scheduled to make a major policy address today before the Institute of International Affairs in Tokyo.

But his first order of business will be to address the bitter disappointment of Japanese leaders over President Bush's cancellation last week of a visit to Asia later this month.

Mr. Bush has promised to reschedule a visit to Japan before the 1992 presidential election, but for now, Mr. Baker will be the senior U.S. official to meet Japan's new prime minister, Mr. Miyazawa.

The secretary of state will be engaging leaders who are accelerating a trend in which Japan cautiously leaves behind its aversion to being a world player in anything but an economic sense.

Japan is "looking for a new role or a way to position itself in the world," a search that has become more urgent with the collapse of Soviet power, the senior U.S. official said.

Calling Mr. Miyazawa "a strong internationalist," the official told reporters aboard the secretary of state's Air Force jet that the new Japanese Cabinet will set a "more activist international policy."

The new prime minister favors legislation that would allow Japan to send troops abroad in support of U.N. peacekeeping operations. That is something Japan's constitution, dictated by the United States after World War II, now forbids.

In a speech last week three days after taking office, Mr. Miyazawa said Japan is committed "to an exclusively defensive posture and not becoming a military power such as might threaten other countries."

Aside from military matters, U.S. officials have begun discussing the idea of a new trans-Pacific compact with Japan.

Its main focus, at least for now, would be on free-trade, both through international negotiations known as the General Agreement on Tariffs and Trade and in bilateral talks over Japan's trade surplus with the United States.

U.S. officials view the initiative as a logical counterpart to Washington's alliances in Europe, which have also been refashioned by the end of the Cold War, and to its trade talks with the European Community.

Mr. Baker flew to Japan from The Hague in the Netherlands where he and Mr. Bush attended a meeting of the 12-nation EC.

The secretary of state is also expected to address continuing trade tensions between the United States and Japan.

Japan accounts for about two-thirds of the U.S. trade deficit of nearly \$40 billion.

In South Korea, beginning tomorrow, Mr. Baker will discuss security concerns on the Korean peninsula, where North Korea is thought to be developing nuclear weapons. Foreign ministers from China and Japan will also be there.

The centerpiece of Mr. Baker's trip is certain to be his stop in China Friday. He will be the highest ranking U.S. official to visit Beijing since the June 1989 massacre of prodemocracy demonstrators in Tiananmen Square.

[From the Washington Times, Nov. 12, 1991]

#### JAPAN'S FAST-PACED ECONOMY ADJUSTS TO LIFE IN SLOW LANE

(By Paul Blustein)

TOKYO, NOV. 11.—In the first nine months of this year, corporate bankruptcies in Japan surged by 64 percent, to more than 7,300.

But the job market here is so robust that 200 of those bankruptcies resulted from companies that couldn't find enough workers to stay in business.

Welcome to what the Japanese call a recession. Like a lot of other things, the concept has a different meaning here than it does in the United States. Where an American recession translates into joblessness and falling living standards, in Japan it means that economic growth is slowing to rates that most other industrial nations consider normal.

Without doubt, Japan's economy is decelerating sharply, a development long anticipated by forecasters as a result of the major increase in interest rates that began here in late 1989. And some of the latest headlines make the situation seem dire indeed.

Housing starts fell 27 percent in September, the steepest dive in five years. The nation's vaunted auto and electronics industries are taking some unaccustomed knocks: For the first time in its history, Toshiba Corp. sold fewer computers in the six months ended Sept. 30 than the same period a year before, and Toyota Motor Corp. sales plummeted by more than 10 percent in October, its worst month since 1986.

Government forecasters have begun echoing private economists' assessments that growth in the July-September quarter probably was slightly negative. The new government of Prime Minister Kiichi Miyazawa is clamoring for lower interest rates, as are many business leaders—and the Bank of Japan, which cut its benchmark discount interest rate to 5.5 percent in July, is widely expected to ease credit again shortly.

But what this all amounts to, according to a general consensus among economists and business executives, is an economy that is falling short of its own extraordinary growth standards rather than one that is falling apart.

"When you have been driving at 100 miles per hour, if you show down to 70, it seems so slow," said Makato Yoshie, senior managing director at Mitsui Taiyo Kobe Bank.

Even the most pessimistic forecasters, such as those at Salomon Brothers (Asia) Inc., see little chance of a severe downturn.

"Japan has averaged more than 5 percent growth for the last four years," said Robert Feldman, one of the firm's Tokyo economists. "And if it falls to, say, 3 percent this year, is that so terrible? Even 3 percent is not bad by industrial country standards."

What's more, he added, the hardest hit sectors are those that were thriving as a result of the "bubble" in land and stock prices during the late 1980s.

So while the big stories on the American economy concern laid-off workers who still haven't found jobs in the sputtering recovery, the bit stories on the Japanese economy concern problems such as the dismal market for fine art or the dwindling demand for luxury imported cars.

Real estate and stock market speculators have been put out of commission by the plunge in land and share prices and the recent financial scandals. At Takashimaya, the swank department store chain, "bubble goods"—jewelry and artwork priced at more than \$75,000—accounted for about \$3 of every \$100 worth of merchandise sold; this year, such stuff is barely moving at all, according to store officials. But overall sales are continuing to climb at a respectable 3 percent to 4 percent a year.

This is precisely what Japanese monetary authorities were aiming for when they began tightening credit two years ago. Bank of Japan governor Yasushi Mieno has shown grim determination to burst the land and stock price bubbles in order to quell inflationary pressures.

Not that the squeeze is being confined to nonessential sectors such as jewelry. The outlook is for substantial profit declines in virtually every Japanese industry this year, "and we don't see any upturn in the near future," said an official at Toyota, which has been jolted by the poor sales performance of its new model Corolla. At the same time, Japanese companies feel compelled to continue spending huge sums on expensive, automated factories and equipment in order to maintain market share and cope with the nation's labor shortage.

The impact of the slowdown also is being felt far from Japan's shores. The decline in

land and stock values has dealt a blow to the previously invincible financial position of the nation's giant banks, resulting in a marked tendency to restrict overseas lending.

But despite the slackening pace of growth, "the economy is not moving down in any way that has any momentum," said Patricia Kuwayama, an economist at J.P. Morgan & Co.'s Tokyo office.

One big reason for the lack of grass-roots panic is the labor shortage, the result partly of a two-decade-long decline in the birth rate. About 1.34 job offers currently await the average job seeker, and while that figure is down from a peak of around 1.47, it still means that a Japanese who happens to work at a firm that goes bankrupt doesn't have to worry much about finding another position. Still, in a country where the typical white-collar worker exhibits great interest in following the national economic statistics, the slowdown has struck a nerve.

At Nihon Kotsu, a taxi and limousine company that ferries executives around the restaurants and hostess bars of the Ginza, the limo business is off about 10 percent this year, and Noritaka Hyashi, a company official, is anxious to get back to the good old days of the late 1980s. In language similar to that being directed at Federal Reserve Chairman Alan Greenspan in the United States these days, he said, "The discount rate must be cut 1 percent—half a percent is not enough. Japan's economy has lost its aggressiveness."

#### SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. DREIER of California) to revise and extend their remarks and include extraneous material:)

Mr. HUNTER, for 60 minutes, today.  
Mr. WALKER, for 30 minutes, today.  
Mr. HANSEN, for 5 minutes, today.  
Mr. GRANDY, for 5 minutes, today.  
Mr. GOSS, for 5 minutes, today.  
Mr. RHODES, for 60 minutes, on November 18.

Mr. HASTERT, for 60 minutes, on November 18.

Mrs. BENTLEY, for 60 minutes each day on Nov. 18, 22, 23, 24, 25, and 26.

Mr. NUSSLE, for 5 minutes, today.  
Mr. BOEHNER, for 5 minutes, today.

(The following members (at the request of Mr. CARDIN) to revise and extend their remarks and include extraneous material:)

Mr. McDERMOTT, for 5 minutes, today.

Mr. ANNUNZIO, for 5 minutes, today.  
Mr. STARK, for 5 minutes, today.

Mr. PANETTA, for 5 minutes, today.  
Mr. FALCONE, for 60 minutes, today.

Mr. GONZALEZ, for 60 minutes, today.

#### EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

(The following Members (at the request of Mr. DREIER of California) and to include extraneous matter:)

Mr. RIDGE.  
Mrs. ROUKEMA in two instances.  
Mr. DUNCAN in two instances.  
Mr. CLINGER.  
Ms. ROS-LEHTINEN in five instances.  
Mr. KLUG.  
Mr. IRELAND.  
(The following Members (at the request of Mr. CARDIN) and to include extraneous matter:)  
Mr. KANJORSKI.  
Mr. HARRIS.  
Mr. COLEMAN of Texas.  
Mr. PEASE.  
Mr. JACOBS.  
Mr. MATSUI.  
Mr. LEHMAN of Florida.  
Mr. TRAFICANT.  
Mr. WEISS.  
Mr. VISCLOSKEY.  
Mr. STARK.  
Mr. JOHNSON of South Dakota.  
Mr. BROWN.  
Mr. ENGEL.  
Mr. PALLONE, in two instances.  
Mr. KENNEDY.  
Mr. PANETTA.  
Mrs. BOXER.

#### ENROLLED JOINT RESOLUTION SIGNED

Mr. ROSE, from the Committee on House Administration, reported that that committee had examined and found truly enrolled a Joint Resolution of the House of the following title, which was thereupon signed by the Speaker:

H.J. Res. 215. Joint resolution acknowledging the sacrifices that military families have made on behalf of the Nation and designating November 25, 1991, as "National Military Families Recognition Day."

#### BILL PRESENTED TO THE PRESIDENT

Mr. ROSE, from the Committee on House Administration, reported that that committee did on this day present to the President, for his approval, a bill of the House of the following title:

H.R. 3350. An act to extend the United States Commission on Civil Rights.

#### ADJOURNMENT

Mr. FALCONE. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 8 o'clock and 10 minutes p.m.), the House adjourned until tomorrow, Friday, November 15, 1991, at 10 a.m.

#### OATH OF OFFICE—MEMBERS, RESIDENT COMMISSIONER, AND DELEGATES

The oath of office required by the sixth article of the Constitution of the United States, and as provided by section 2 of the act of May 13, 1884 (23 Stat. 22), to be administered to Mem-

bers, Resident Commissioner, and Delegates of the House of Representatives, the text of which is carried in 5 U.S.C. 3331:

"I, AB, do solemnly swear (or affirm) that I will support and defend the Constitution of the United States against all enemies, foreign and domestic; that I will bear true faith and allegiance to the same; that I take this obligation freely, without any mental reservation or purpose or evasion; and that I will well and faithfully discharge the duties of the office on which I am about to enter. So help me God."

has been subscribed to in person and filed in duplicate with the Clerk of the House of Representatives by the following Member of the 102d Congress, pursuant to the provisions of 2 U.S.C. 25:

LUCIEN E. BLACKWELL, Second, Pennsylvania.

#### EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

2359. A letter from the Deputy Secretary of Defense, transmitting the report of the Defense Environmental Response Task Force, pursuant to Public Law 101-510, Section 2923(c)(1) (104 Stat. 1821); to the Committee on Armed Services.

2360. A letter from the Under Secretary of Defense, transmitting Selected Acquisition Reports [SARS] for the quarter ending September 30, 1991, pursuant to 10 U.S.C. 2432; to the Committee on Armed Services.

2361. A letter from the Acting Director, Defense Security Assistance Agency, transmitting notification of the Department of the Navy's proposed Letter(s) of Offer and Acceptance [LOA] to Italy for defense articles and services (Transmittal No. 92-09), pursuant to 22 U.S.C. 2776(b); to the Committee on Foreign Affairs.

2362. A letter from the Acting Director, Defense Security Assistance Agency, transmitting notification of the Department of the Air Force's proposed Letter(s) of Offer and Acceptance [LOA] to Turkey for defense articles and services (Transmittal No. 92-11), pursuant to 22 U.S.C. 2776(b); to the Committee on Foreign Affairs.

2363. A letter from the President, Overseas Private Investment Corporation, transmitting the annual report in compliance with the Inspector General Act Amendments; to the Committee on Government Operations.

2364. A letter from the Chief Judge, U.S. District Court—Eastern District of Pennsylvania, transmitting a report on their civil justice expense and delay reduction plan; to the Committee on the Judiciary.

2365. A letter from the Commodity Credit Corporation, Department of Agriculture, transmitting the annual report on monetization programs for U.S. fiscal year 1990, pursuant to 7 U.S.C. 1431(b)(9)(B); jointly, to the Committees on Agriculture and Foreign Affairs.

#### REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk

for printing and reference to the proper calendar, as follows:

Mr. JONES of North Carolina: Committee on Merchant Marine and Fisheries. H.R. 1514. A bill to disclaim or relinquish all right, title, and interest of the United States in and to certain lands conditionally relinquished to the United States under the act of June 4, 1897 (30 Stat. 11, 36), and for other purposes; with amendments (Rept. 102-89, Pt. 2). Ordered to be printed.

Mr. GORDON: Committee on Rules. House Resolution 281. Resolution waiving all points of order against the conference report on the bill (H.R. 2100) to authorize appropriations for fiscal years 1992 and 1993 for military activities of the Department of Defense, for military construction, and for defense activities of the Department of Energy, to prescribe personnel strengths for such fiscal year for the Armed Forces, and for other purposes, and against the consideration of such conference report (Rept. 102-316). Referred to the House Calendar.

#### PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. GONZALEZ:

H.R. 3768. A bill to require the least-cost resolution of insured depository institutions, to improve supervision and examinations, to provide additional resources to the Bank Insurance Fund, and for other purposes; to the Committee on Banking, Finance and Urban Affairs.

By Mr. ANNUNZIO:

H.R. 3769. A bill to impose a ceiling on credit card interest rates; to the Committee on Banking, Finance and Urban Affairs.

By Mr. MICHEL (for himself, Mr. THOMAS of California, Mr. GINGRICH, Mr. LEWIS of California, Mr. EDWARDS of Oklahoma, Mr. HUNTER, Mr. MCCOLLUM, Mr. WEBER, Mr. VANDER JAGT, Mr. ARCHER, Mr. SOLOMON, Mr. DICKINSON, Mr. ROBERTS, Mr. LIVINGSTON, Mr. BARRETT, and Mr. GUNDERSON):

H.R. 3770. A bill entitled, "The Fair and Competitive Election Act"; to the Committee on House Administration.

By Mr. BROWN (for himself, Mr. LEWIS of California, Mr. MCCANDLESS, and Mr. COX of California):

H.R. 3771. A bill to amend title 28, United States Code, to establish two divisions in the Central Judicial District of California; to the Committee on the Judiciary.

H.R. 3772. A bill to amend title 28, United States Code, to provide for the establishment of an additional place of holding court in the Central Judicial District of California; to the Committee on the Judiciary.

By Mr. COLEMAN of Texas:

H.R. 3773. A bill to direct the Administrator of the Environmental Protection Agency to establish an office in a community in the United States located not more than 10 miles from the border between the United States and Mexico; to the Committee on Merchant Marine and Fisheries.

By Mr. DERRICK:

H.R. 3774. A bill to amend the Social Security Act to improve procedures for the determination of disability under titles II and XVI of such act; to the Committee on Ways and Means.

By Mr. DONNELLY:

H.R. 3775. A bill to amend the Internal Revenue Code of 1986 to require recomputations

of depreciation determined under the income forecast method, and for other purposes; to the Committee on Ways and Means.

By Mr. ENGEL (for himself, Mr. HYDE, Mr. SCHEUER, and Mrs. LOWEY of New York):

H.R. 3776. A bill to amend the Airport Noise and Capacity Act of 1990 to exempt noise and access restrictions on aircraft operations to and from metropolitan airports from Federal review and approval requirements under that act, and for other purposes; to the Committee on Public Works and Transportation.

By Mr. IRELAND (for himself, Mr. LAUGHLIN, Mr. FASCELL, Mr. BROOKS, Mr. LEHMAN of Florida, Mr. BAKER, Mr. YOUNG of Florida, Mr. ANDREWS of Texas, Mr. SHAW, Mr. BILIRAKIS, Mr. LEWIS of Florida, Mr. GIBBONS, Mr. BENNETT, Mr. PETERSON of Florida, Mr. JOHNSTON of Florida, Mr. STEARNS, Mr. GOSS, Mr. BACCHUS, Mr. SMITH of Florida, Mr. PARKER, Mr. HUTTO, Mr. THOMAS of Georgia, and Mr. MCCOLLUM):

H.R. 3777. A bill to amend the Federal Water Pollution Control Act to provide for the improvement and protection of the environment of the Gulf of Mexico; jointly, to the Committees on Public Works and Transportation, Merchant Marine and Fisheries, and Science, Space, and Technology.

By Mr. JONES of North Carolina (for himself, Mr. DAVIS, and Mr. STUDDS):

H.R. 3778. A bill to amend title 46, United States Code, to clarify treatment of unobligated amounts allocated to States for State recreational boating safety programs, and for other purposes; jointly, to the Committees on Merchant Marine and Fisheries and Ways and Means.

By Mr. JONTZ:

H.R. 3779. A bill to amend title 38, United States Code, to eliminate the \$2 copayment requirement for medication furnished certain veterans on an outpatient basis by the Secretary of Veterans Affairs; to the Committee on Veterans' Affairs.

By Mr. LUKEN:

H.R. 3780. A bill to limit the amounts obligated or expended for fiscal year 1992 for travel expenses for officers and employees of the Federal Government; jointly, to the Committees on Government Operations, House Administration, and the Judiciary.

By Mr. MATSUI (for himself, Mr. JENKINS, Mr. MOODY, Mr. VANDER JAGT, Mr. SCHULZE, Mr. MCGRATH, Mr. KANJORSKI, Mr. OWENS of Utah, and Mr. WEBER):

H.R. 3781. A bill to amend the Internal Revenue Code of 1986 to repeal all occupational taxes relating to the production or sale of distilled spirits, wines, and beer; to the Committee on Ways and Means.

By Mr. MOAKLEY (for himself, Mr. MURTHA, Mr. MCHUGH, Mr. OBEY, Mr. FASCELL, Mr. BONIOR, Mr. TORRICELLI, Mr. GEPHARDT, Mr. HAMILTON, Mr. SOLARZ, Mr. WEISS, Mr. STUDDS, Mr. LEVINE of California, Mr. BOXER, Mr. GREEN of New York, Mr. RAVENEL, Mrs. MORELLA, and Mr. SHAYS):

H.R. 3782. A bill to promote peace and reconciliation in El Salvador; to the Committee on Foreign Affairs.

By Ms. OAKAR (for herself and Mrs. LLOYD):

H.R. 3783. A bill to require States to enact laws which require physicians and surgeons to inform individuals who have breast implant surgery of the risks associated with

and the potential complications arising from such surgery in order to qualify for Federal funds under titles V and XIX of the Social Security Act and title XIX of the Public Health Service Act; to the Committee on Energy and Commerce.

By Mr. OWENS of Utah:

H.R. 3784. A bill to amend the Atomic Energy Act of 1954 to prohibit the disposal of nonbyproduct material at certain mill tailings disposal sites and to amend the Federal Land Policy and Management Act of 1976 to restrict for purposes of environmental protection land conveyed under the authority of that act, and for other purposes; jointly, to the Committees on Energy and Commerce and Interior and Insular Affairs.

By Mr. OWENS of Utah (for himself and Mr. BEREUTER):

H.R. 3785. A bill to require authorizations of new budget authority for Government programs at least every 10 years, to provide for review of Government programs every 10 years, and for other purposes; jointly, to the Committees on Government Operations and Rules.

By Mr. PEASE:

H.R. 3786. A bill to prohibit the importation of goods produced abroad with child labor and for other purposes; jointly, to the Committees on Ways and Means and Foreign Affairs.

By Mr. SHARP:

H.R. 3787. A bill relating to the tariff treatment of certain springs and leaves for springs of iron or steel; to the Committee on Ways and Means.

By Mr. STARK:

H.R. 3788. A bill to amend the Internal Revenue Code of 1986 to exempt certain personal service corporations from restrictions on deducting accrued year-end regular periodic compensation payable to owner-employees; to the Committee on Ways and Means.

By Mr. STUDDS:

H.R. 3789. A bill to amend the Marine Protection, Research, and Sanctuaries Act of 1972 to establish liability for removal costs and damages that directly result from ocean dumping; to the Committee on Merchant Marine and Fisheries.

By Mr. VISCLOSKEY:

H.R. 3790. A bill to amend the Public Works and Economic Development Act of 1965 to direct the Secretary of Commerce to conduct a study on methods of facilitating the reuse of idle industrial manufacturing facilities in the United States; jointly, to the Committees on Banking, Finance and Urban Affairs and Public Works and Transportation.

By Mr. WILLIAMS:

H.R. 3791. A bill to assist Plentywood School District No. 20 in Plentywood, MT, in replacing its high school which was destroyed by fire; to the Committee on Education and Labor.

By Mr. YATRON:

H.R. 3792. A bill to require the Secretary of the Treasury to mint coins in commemoration of the 50th anniversary of the allied invasion of Normandy, better known as D-Day, and for other purposes; to the Committee on Banking, Finance and Urban Affairs.

By Mr. HALL of Ohio:

H. Con. Res. 340. Concurrent resolution condemning the massacre of East Timorese civilians by the Indonesian military; to the Committee on Foreign Affairs.

By Mr. WEISS (for himself, Mr. BEREUTER, Mr. BURTON of Indiana, Mr. DYMALLY, Mr. PAYNE of New Jersey, Mr. YATRON, Mr. WOLPE, Mr. KENNEDY, Mr. FEIGHAN, Mr. BLAZ, and Mr. HOUGHTON):

H. Con. Res. 241. Concurrent resolution expressing support for Zambia's transition to democracy; to the Committee on Foreign Affairs.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

- H.R. 318: Mr. LAGOMARSINO.
H.R. 373: Mr. LEWIS of Georgia, Mr. STOKES, and Mr. WASHINGTON.
H.R. 430: Mr. DAVIS.
H.R. 722: Mr. WEISS.
H.R. 723: Mr. WEISS.
H.R. 840: Mr. NAGLE and Mr. BILBRAY.
H.R. 890: Mr. CAMPBELL of California.
H.R. 967: Mr. ALLEN.
H.R. 1063: Mr. MOODY.
H.R. 1072: Mr. FISH.
H.R. 1073: Mr. FISH.
H.R. 1190: Mr. MOODY.
H.R. 1200: Mr. FROST, Mr. FASCELL, Mr. HOYER, Ms. OAKAR, Mr. NEAL of Massachusetts, Mr. McMILLEN of Maryland, Mr. OBEY, Mr. HUTTO, Mr. BUSTAMANTE, Mr. FEIGHAN, and Mr. DELAY.
H.R. 1218: Mr. MARKEY.
H.R. 1335: Mr. TORRES and Mr. POSHARD.
H.R. 1345: Mr. HUNTER.
H.R. 1346: Mr. ANDREWS of New Jersey.
H.R. 1414: Mr. MCCOLLUM.
H.R. 1460: Mr. ROSE.
H.R. 1473: Mr. FEIGHAN and Ms. SNOWE.
H.R. 1495: Mr. VISCLOSKEY.
H.R. 1502: Mr. GUARINI, Ms. HORN, Mr. JONTZ, and Mr. SARPALIUS.
H.R. 1523: Mr. MILLER of Washington.
H.R. 1527: Mrs. LLOYD, Mr. VANDER JAGT, Mr. UPTON, and Mr. KLUG.
H.R. 1918: Mrs. COLLINS of Illinois, Mr. BEVILL, Mr. SHAYS, Mr. PETERSON of Florida, and Ms. NORTON.
H.R. 2083: Mr. WEISS, Mr. LOWERY of California, Mr. MOODY, Mr. PETERSON of Minnesota, Mr. ACKERMAN, and Mr. KENNEDY.
H.R. 2115: Mr. BOUCHER.
H.R. 2185: Mr. PARKER.
H.R. 2237: Mr. ANTHONY.
H.R. 2368: Mr. JOHNSON of South Dakota, Mr. SMITH of Oregon, and Mr. SCHAEFER.
H.R. 2415: Mr. BEILSON.
H.R. 2419: Mr. LIPINSKI.
H.R. 2530: Mr. DEFazio.
H.R. 2565: Ms. SLAUGHTER of New York and Mr. TAYLOR of North Carolina.
H.R. 2598: Mr. SWETT, Mr. MONTGOMERY, and Mr. GILMAN.
H.R. 2600: Mr. RAMSTAD.
H.R. 2643: Mr. RIGGS.
H.R. 2695: Mr. ROE, Mr. BAKER, Mr. COUGHLIN, Mr. EMERSON, Mr. WELDON, Mr. SHAW, Mr. DELAY, Mr. SKAGGS, Mr. SENSENBRENNER, Mr. STALLINGS, and Mr. McMILLEN of Maryland.

- H.R. 2715: Ms. KAPTUR and Mr. MARTINEZ.
H.R. 2854: Mr. GORDON.
H.R. 2876: Mr. DOOLITTLE, Mr. BALLENGER, Mr. COUGHLIN, and Mr. BOEHNER.
H.R. 2966: Mr. MYERS of Indiana, Mr. RAMSTAD, Mr. BOEHLERT, and Mr. McNULTY.
H.R. 3030: Mr. STEARNS, Mr. JACOBS, Mr. EWING, Mr. SANTORUM, Mr. YATRON, Mr. MOLLOHAN, Mr. BARRETT, Mr. DOOLITTLE, Mr. ANDREWS of Texas, and Mr. ROHRBACHER.
H.R. 3070: Mr. BUSTAMANTE, Mr. BONIOR, Mr. PAXON, Mr. SERRANO, Mr. SMITH of Texas, Mr. MANTON, Mr. NEAL of North Carolina, Mr. PASTOR, and Mr. GALLEGLY.
H.R. 3142: Mr. QUILLEN and Ms. NORTON.
H.R. 3146: Mr. SUNQUIST.
H.R. 3164: Mr. CUNNINGHAM, Mr. MARLENEE, Mr. PETERSON of Minnesota, Mr. DUNCAN, Mr. MARTIN, Mr. FAZIO, Mr. BROWDER, Mrs. LLOYD, Mr. HORTON, Mr. OWENS of Utah, Mr. FEIGHAN, Mr. ERDREICH, Mr. COX of California, Mr. DAVIS, and Mr. GLICKMAN.
H.R. 3166: Mr. DICKS, Mr. MONTGOMERY, Mr. WASHINGTON, Mr. HUBBARD, Mr. PANETTA, Mr. CARPER, Mr. MACHTLEY, Mr. HUNTER, Mr. ROYBAL, Mr. LANCASTER, Mr. PACKARD, Mr. ANDREWS of Maine, Mr. FEIGHAN, Mr. EMERSON, Mr. KASICH, Mr. BENNETT, and Mr. SPENCE.
H.R. 3252: Mr. ACKERMAN.
H.R. 3253: Mr. STARK, Mr. RAVENEL, Mr. McDERMOTT, Mrs. COLLINS of Illinois, Mr. ANNUNZIO, and Mr. DWYER of New Jersey.
H.R. 3373: Mr. VANDER JAGT, Mr. RICHARDSON, Mr. McMILLAN of North Carolina, Mrs. SCHROEDER, Mr. UPTON, Mr. STUDDS, and Mrs. MEYERS of Kansas.
H.R. 3429: Mr. VENTO, Mr. LEVINE of California, Ms. NORTON.
H.R. 3464: Mr. ACKERMAN and Mr. PAXON.
H.R. 3473: Mr. HAYES of Illinois, Mr. MARTINEZ, Mr. MARKEY, Mr. LAFALCE, and Mr. ERDREICH.
H.R. 3504: Mr. McCLOSKEY and Mr. ANTHONY.
H.R. 3506: Mrs. SCHROEDER.
H.R. 3511: Mr. ACKERMAN and Mr. MANTON.
H.R. 3516: Mr. RIGGS.
H.R. 3553: Mr. LIPINSKI and Mr. COSTELLO.
H.R. 3561: Mr. SHAYS, Mr. RAMSTAD, Mr. BALLENGER, Mr. PETRI, Mr. TAYLOR of North Carolina, Mr. JACOBS, Mr. AUCOIN, Mr. BATEMAN, Mr. RIGGS, Mr. BOEHNER, Ms. MOLINARI, Mr. KYL, Mr. OXLEY, and Mr. GALLEGLY.
H.R. 3619: Mr. FISH, Mr. BENNETT, Mr. LANCASTER, Mr. PAXON, Mr. RAMSTAD, Mr. LIPINSKI, and Mr. LEWIS of Georgia.
H.R. 3627: Mr. IRELAND, Mr. KOLTER, Mr. PETERSON of Florida, Mr. KOPETSKI, Mr. BLAZ, Mr. RAMSTAD, Mr. WILSON, Mrs. COLLINS of Illinois, Mr. McNULTY, Mr. SISISKY, Mr. ARMEY, Mr. JONTZ, Mr. RANGEL, Mr. PERKINS, Mr. GILMAN, Mr. HANCOCK, and Mr. ABERCROMBIE.
H.R. 3640: Mrs. BOXER, Ms. NORTON, and Mr. TRAFICANT.
H.R. 3669: Mr. DICKS, Mr. DELLUMS, Mr. FEIGHAN, Mr. TOWNS, Mr. ENGEL, Mr. MRAZEK, Mr. YATES, and Mr. TORRES.

- H.R. 3677: Mr. HYDE, Mr. KYL, and Mr. LEVIN of Michigan.
H.R. 3678: Mr. ZIMMER.
H.R. 3681: Mr. PETERSON of Florida, Mr. GUARINI, Mr. ROE, and Mr. MOODY.
H.R. 3725: Mr. AUCOIN, Mr. PETRI, Mr. BACHUS, and Mr. JOHNSON of South Dakota.
H.R. 3748: Mr. OWENS of New York, Mr. WYDEN, Mr. FLAKE, Mr. FRANK of Massachusetts, Mrs. COLLINS of Michigan, Mr. ACKERMAN, Mr. DEFazio, and Mr. MFUME.
H.R. 3750: Mr. DOOLEY, Mr. KENNEDY, and Mr. NEAL of Massachusetts.
H.J. 212: Mr. OXLEY, Mr. REED, Mr. CHAPMAN, Mr. VALENTINE, Mr. VOLKMER, Mr. HYDE, Mr. DIXON, and Ms. HORN.
H.J. 326: Mr. BERUTER, Mr. GALLEGLY, Mr. BILIRAKIS, Mr. NICHOLS, Mr. LEACH, Mr. HOUGHTON, Mr. SAWYER, Mr. BEVILL, Mr. NUSSLE, Mr. ALLARD, Mr. HUNTER, Mr. SISISKY, Mr. MOLLOHAN, Mr. GALLO, Mr. HALL of Texas, Mr. THOMAS of Wyoming, Mr. STAGGERS, Mr. TRAFICANT, Mr. COOPER, Mr. LUKEN, Mr. ORTIZ, Mr. SKEEN, Mr. ROTH, Mr. FRANKS of Connecticut, Mr. CHAPMAN, Mr. MOAKLEY, Mr. MACHTLEY, Mr. LENT, Mr. BAKER, Mr. LIVINGSTON, Mr. PURSELL, Mr. RAMSTAD, Mr. WEBER, and Mr. FISH.
H.J. Res. 359: Mr. EMERSON, Mr. HOBSON, Mr. LANCASTER, Ms. NORTON, and Mr. McDERMOTT.
H.J. Res. 367: Mr. LAGOMARSINO, Mr. JONTZ, Mr. RAY, Mr. SANTORUM, Mr. DANMEYER, Mr. APLEGATE, Mr. WILSON, Mr. BATEMAN, and Mr. PAXON.
H. Con. Res. 182: Mr. MARTINEZ, Mr. RANGEL, Mr. FROST, Mr. LIPINSKI, Mr. DWYER of New Jersey, Mr. EVANS, Mr. BEVILL, Mr. DE LA GARZA, Mr. RITTER, Mr. DOWNEY, Mr. SKEEN, Mr. SCHEUER, Mr. CLEMENT, and Mr. SPENCE.
H. Con. Res. 188: Mr. COUGHLIN.
H. Con. Res. 192: Mr. MONTGOMERY, Mr. CLEMENT, Mr. FUSTER, Mr. McMILLEN of Maryland, Mr. HUTTO, Mr. ANDREWS of Texas, Mr. FAWELL, Mr. ROGERS, Mr. COUGHLIN, Mr. PETRI, Mr. HEFLEY, and Mrs. JOHNSON of Connecticut.
H. Con. Res. 224: Mr. LAFALCE, Mr. EDWARDS of Oklahoma, Mr. KASICH, and Mr. VANDER JAGT.
H. Con. Res. 225: Mrs. MORELLA, Mr. MACHTLEY, and Mr. DOOLITTLE.
H. Con. Res. 235: Mr. WAXMAN, Mr. KOPETSKI, and Mr. GEJDENSON.
H. Res. 215: Mr. COUGHLIN.
H. Res. 233: Mr. CUNNINGHAM and Mr. LAROCCO.
H. Res. 271: Mrs. UNSOELD, Mr. KENNEDY, Mr. MILLER of California, Mr. SCHEUER, Mr. ENGEL, Mr. LEVINE of California, and Mr. WHEAT.