

would say that the spirit of bipartisanship which we have shown on this Y2K litigation reform bill is, I hope, a model we can use not only for, as she said, research and development tax credit, making that permanent, but also in just a few minutes when we consider the very important rule on H.R. 10, financial services modernization.

With that, I urge support of the rule and the conference report.

Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

The SPEAKER pro tempore (Mr. EWING). All time has expired.

Without objection, the previous question is ordered on the resolution.

There was no objection.

The SPEAKER pro tempore. The question is on the resolution.

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

Mr. MOAKLEY. 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 423, nays 1, not voting 10, as follows:

[Roll No. 263]

YEAS—423

Abercrombie	Callahan	Dixon	Hall (OH)	McGovern	Sanford	NOT VOTING—10
Ackerman	Calvert	Doggett	Hall (TX)	McHugh	Sawyer	Becerra
Aderholt	Camp	Doolley	Hansen	McInnis	Saxton	Doolittle
Allen	Campbell	Doyle	Hastings (FL)	McIntosh	Scarborough	Ehrlich
Andrews	Canady	Dreier	Hastings (WA)	McIntyre	Schaffer	Fossella
Archer	Cannon	Duncan	Hayes	McKeon	Schakowsky	Cox
Armey	Capps	Dunn	Hayworth	McKinney	Scott	Green (TX)
Bachus	Capuano	Edwards	Heffley	McNulty	Sensenbrenner	
Baird	Cardin	Ehlers	Herger	Meehan	Serrano	□ 1141
Baker	Carson	Emerson	Hill (IN)	Meek (FL)	Sessions	So the resolution was agreed to.
Baldacci	Castle	Engel	Hill (MT)	Meeks (NY)	Shadegg	The result of the vote was announced
Baldwin	Chabot	English	Hildebrand	Menendez	Shaw	as above recorded.
Ballenger	Chambliss	Eshoo	Hinchey	Metcalf	Shays	A motion to reconsider was laid on
Barcia	Chenoweth	Etheridge	Horn	Mica	Sherman	the table.
Barr	Clay	Evans	Houghton	Millender-McDonald	Sherwood	Stated for:
Barrett (NE)	Clayton	Everett	Hoyer	Miller (FL)	Shimkus	Mr. DOOLITTLE. Mr. Speaker, on rollcall
Barrett (WI)	Clement	Ewing	Hoekstra	Miller, Gary	Shows	No. 263, I voted "yes" on the Y2K Rule, but
Bartlett	Clyburn	Farr	Holden	Miller, George	Shuster	my vote was not recorded. On the subsequent
Barton	Coble	Fattah	Holtey	Minge	Simpson	vote, I discovered that my voting was not
Bass	Coburn	Filner	Horn	Mink	Sisisky	being read by the voting machine. The card
Bateman	Collins	Fletcher	Hostettler	Moakley	Skeen	has been turned in for replacement. Had I
Bentsen	Combest	Foley	Houghton	Mollohan	Skelton	been present, I would have voted "yes."
Bereuter	Condit	Forbes	Hoyer	Moore	Slaughter	
Berkley	Conyers	Ford	Hoyle	Moran (KS)	Smith (MI)	PROVIDING FOR CONSIDERATION
Berman	Cook	Fowler	Hudson	Moran (VA)	Smith (NJ)	OF H.R. 10, FINANCIAL SERVICES
Berry	Cooksey	Frank (MA)	Isakson	Napolitano	Smith (TX)	ACT OF 1999
Biggert	Costello	Franks (NJ)	Isakson	Neal	Smith (WA)	
Bilbray	Coyne	Frelenghuyzen	Jackson (IL)	Nethercutt	Snyder	Mr. SESSIONS. Mr. Speaker, by di-
Bilirakis	Cramer	Frost	Jackson-Lee (TX)	Ney	Souder	rection of the Committee on Rules, I
Bishop	Crane	Galligly	Jefferson	Northup	Spence	call up House Resolution 235 and ask
Blagojevich	Crowley	Ganske	Jenkins	Park	Spratt	for its immediate consideration.
Bliley	Cubin	Gejdenson	John	Peterson (MN)		
Blumenauer	Cummings	Gekas	Johnson (CT)	Peterson (PA)		The Clerk read the resolution, as fol-
Blunt	Cunningham	Gephhardt	Johnson, E. B.	Peterson (PA)		lows:
Boehlert	Danner	Gibbons	Johnson, Sam	Peterson (PA)		H. RES. 235
Boehner	Davis (FL)	Gilchrest	Jones (NC)	Peterson (PA)		
Bonilla	Davis (IL)	Gillmor	Jones (OH)	Peterson (PA)		<i>Resolved</i> , That at any time after the adop-
Bonior	Davis (VA)	Gilman	Kanjorski	Peterson (PA)		tion of this resolution the Speaker may, pur-
Bono	Deal	Gonzalez	Kaptur	Peterson (PA)		suant to clause 2(b) of rule XVIII, declare the
Borski	DeFazio	Goodre	Kasich	Peterson (PA)		House resolved into the Committee of the
Boswell	DeGette	Goodlatte	Kelly	Peterson (PA)		Whole House on the state of the Union for
Boucher	Delahunt	Goodling	Kennedy	Peterson (PA)		consideration of the bill (H.R. 10) to enhance
Boyd	DeLauro	Gordon	Kildee	Peterson (PA)		competition in the financial services industry
Brady (PA)	DeLay	Goss	Kilpatrick	Peterson (PA)		by providing a prudential framework for
Brady (TX)	DeMint	Graham	King (WI)	Peterson (PA)		the affiliation of banks, securities firms, and
Brown (OH)	Deutsch	Granger	King (NY)	Pelosi		other financial service providers, and for
Bryant	Diaz-Balart	Green (WI)	Kingston	Pelosi		other purposes. The first reading of the bill
Burr	Dickey	Greenwood	Klein	Pelosi		shall be dispensed with. All points of order
Burton	Dicks	Gutierrez	Klunk	Pelosi		against consideration of the bill are waived.
Buyer	Dingell	Gutknecht	Knollenberg	Pelosi		General debate shall be confined to the bill

NAYS—1

Kucinich

Committee of the Whole a request for a recorded vote on any amendment; and (2) reduce to five minutes the minimum time for electronic voting on any postponed question that follows another electronic vote without intervening business, provided that the minimum time for electronic voting on the first in any series of questions shall be 15 minutes. At the conclusion of consideration of the bill for amendment the Committee shall rise and report the bill to the House with such amendments as may have been adopted. Any Member may demand a separate vote in the Committee of the Whole to the bill or to the amendment in the nature of a substitute made in order as original text. 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.

□ 1145

The SPEAKER pro tempore (Mr. EWING). The gentleman from Texas (Mr. SESSIONS) is recognized for 1 hour.

Mr. SESSIONS. Mr. Speaker, for purposes of debate only, I yield the customary 30 minutes to the gentleman from Massachusetts (Mr. MOAKLEY), 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, this legislation before us is a structured rule providing for the consideration of H.R. 10, the Financial Services Modernization Act of 1999. Passage of this rule today is another step in the long and carefully considered repeal of the Depression-era rules that govern our Nation's modern financial services industry.

The rule provides for 90 minutes of general debate, 45 minutes equally divided between the chairman and the ranking member of the Committee on Banking and Financial Services and 45 minutes divided equally between the chairman and ranking member of the Committee on Commerce.

The rule also waives all points of order against consideration of the bill. The rule makes in order an amendment in the nature of a substitute consisting of the text of the Committee on Rules print dated June 24, 1999, as original text for the purposes of amendment.

The rule also waives all points of order against the amendment in the nature of a substitute.

The rule further provides that no amendment to the amendment in the nature of a substitute shall be in order except those printed in the Committee on Rules report, which may be offered only by a Member designated in the report, shall be considered as read, shall be debatable for the time specified in the report equally divided and controlled by the proponent and opponent, and shall not be subject to amendment and shall not be subject to a demand for a division of the question.

The rule also waives all points of order against the amendments printed in the report.

The rule allows the chairman of the Committee of the Whole to reduce vot-

ing time to 5 minutes on any postponed question, provided voting time on the first in any series of questions is not less than 15 minutes. Finally, the rule provides for one motion to recommit, with or without instructions.

Mr. Speaker, this rule allows for consideration of a total of 11 amendments, five which are offered by the Democrats on a bipartisan basis. The rule, like the underlying legislation, deserves strong bipartisan support.

Ten of the amendments made in order with this rule are debatable for 10 minutes each. They address important issues such as limitation of fees associated with acquiring financial products and taking steps to prevent institutions from requiring customers to purchase insurance products as a condition of receiving a loan and other important items.

This rule also allows 30 minutes of debate on an important amendment, crafted in a bipartisan manner to strengthen the bill's provisions related to maintaining the privacy of a consumer's personal financial information.

This privacy amendment is truly historic. It represents the strongest pro-consumer privacy language ever considered by the House.

This work product that we present today comes as a result of extensive work out of two major committees, including the Committee on Banking and Financial Services and the Committee on Commerce who have primary jurisdiction over this bill. In an intensely bipartisan effort to bring together or to merge the best parts of both of these bills, colleagues of mine on the Committee on Rules on both sides of the aisle have crafted what I think is the best legislation for America. In fact, a senior member of the Committee on Banking and Financial Services, the gentleman from Minnesota (Mr. VENTO), yesterday stated in testimony before the Committee on Rules, and I quote, "Obviously the issues with privacy that have been worked out here are stronger than either bill from the other committees." This compromise is well crafted and bipartisan.

Mr. Speaker, this rule meets the twin goals the Committee on Rules grappled with yesterday, allowing fair and vigorous debate on various alternatives, yet moving this delicate compromise forward to House passage.

Mr. Speaker, 65 years ago, on the heels of the great Depression, the Glass-Steagall Act was passed, prohibiting affiliation between commercial banking, insurance and securities.

However, merely 2 years after passage, the first attempt at repealing Glass-Steagall was instituted by Senator Carter Glass, one of the sponsors of the legislation. He recognized that changes in the world and in the marketplace called for more effective legislation.

Two generations later, the need to modernize our financial laws is more appropriate than ever.

There is no doubt about it, reexamination of regulation of the financial

services industry in America is a complicated matter. Congress recognizes that busy American families where many times both parents work to make ends meet have little time to consider complicated banking law. But Congress now is working again to repeal Glass-Steagall with exactly these hard-working Americans in mind.

This legislation is designed to give all Americans the benefit of one-stop shopping for all their financial services needs. New companies will offer a broad array of financial products under one roof, bringing convenience and competition. More products will be offered to more people at a lower price.

As a result of this legislation, Americans will have more time to spend with their families, more money to spend on their children, and the opportunity to save for their future.

Americans deserve the most efficient borrowing and investment choices. Americans deserve the freedom to pursue financial options without being charged three different times by three different companies for a product.

This legislation is designed to increase market forces in an already competitive marketplace to drive down costs and broaden the number of potential customers for securities and other products that are before us today.

Mr. Speaker, I urge my colleagues to support this well-balanced rule that is an extremely complicated and delicate piece of legislation.

Mr. Speaker, I reserve the balance of my time.

Mr. MOAKLEY. Mr. Speaker, I thank my colleague from Texas for yielding me the customary half-hour, and I yield myself such time as I may consume.

Mr. Speaker, Congress has been working on a banking modernization bill for decades. Last night, June 30, 1999, we finally had a chance to get it right. Last night, we had a bill that managed the confusing crossroads where banks, insurance companies and securities industries meet. It had bipartisan support in two committees. It would have passed the House overwhelmingly. It would have been signed by the President quickly. And for the first time since 1933, Mr. Speaker, the United States would have updated its banking laws.

But, for some reason, the Republican leadership decided that it was more important to keep Democrats out of the process than to pass this banking bill. After years, Democrats and Republicans together worked out a bill to modernize financial services, but the Republican leadership decided to make war instead of history and remove several important provisions because they were authored by Democrats.

This pattern of sabotaging bills with overwhelming bipartisan support in committees then removing Democratic-authored provisions and passing bills by the narrowest of margins with the fewest Democratic votes is becoming more the rule than the exception.

Mr. Speaker, we do not have to look any further than the agriculture appropriations bill, the legislative branch appropriations bill, the DOD rule and the juvenile justice bill to see the pattern that has emerged.

Mr. Speaker, why does the Republican leadership feel compelled to do this? On a substantive level, it is the American people who ultimately lose out.

The gentlewoman from California (Ms. LEE) had an amendment to require insurance companies to treat people from low-income areas the same as anyone else. It passed the Committee on Banking and Financial Services. It was part of the bill. And, last night, the Republican Committee on Rules took it out.

The gentlewoman from New York (Ms. SLAUGHTER) had an amendment to strengthen family decision-making by requiring parents' signatures on credit card increases for children under 18. Last night, the Committee on Rules Republican members refused to allow it.

The gentleman from Massachusetts (Mr. MARKEY) had an amendment to protect people's private information from becoming part of Big Brother's marketing arsenal. Last night, the Republican leadership refused to allow it.

The gentleman from Oklahoma (Mr. LARGENT) had a great amendment, to enable the Federal Reserve to protect small towns and rural areas from being taken over by mega-banks the way hardware stores have been taken over by Wal-Mart. It was part of the Commerce bill. Last night, the Republican Committee on Rules took it out.

The gentleman from California (Mr. CONDIT) had an amendment to keep people's personal medical records private. Last night, the Committee on Rules refused to allow it.

The gentlewoman from Colorado (Ms. DEGETTE) had an amendment to prohibit insurance companies from discriminating against victims of domestic abuse. It passed the committee overwhelmingly, but the Republican leadership took it out.

Meanwhile, for some reason, Mr. Speaker, that I still cannot fathom, last night the Republican leadership included an amendment which will shut down the Bank Secrecy Act and cripple law enforcement's ability to trace and recover ill-gotten money.

In other words, the Republican leadership is protecting the privacy of suspected felons while at the same time opening up the private lives of American families. They are choosing enormous corporations over victims of abuse and profits over progress.

Mr. Speaker, when this new Congress began, I was hopeful about the new Republican leadership. I was hopeful they would put partisanship aside, reinvigorate the committee process and pass some bills to help the American people. But, Mr. Speaker, I am very sorry to see that party politics is still winning out over responsible legislating, and I

think it is time the American people get a little more from their Congress.

Mr. Speaker, I feel the American people have had enough investigations, they have had enough partisanship. They want their Medicare protected, they want their Social Security shored up, they want their medical records kept private, and they want their banks to operate fairly.

□ 1200

They want their Congress to pass some bills, even if Democrats vote for them, that will make their lives just a little bit easier, their children a little bit safer and their world a little bit fairer.

Mr. Speaker, I am sorry that I have to withdraw my support from this rule. I hoped we could have passed this bill with a wide range of support. I had hoped the American people would be put first.

I urge my colleagues to oppose this rule.

Mr. Speaker, I reserve the balance of my time.

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

Mr. Speaker, I am very pleased and honored to have the gentleman from Massachusetts (Mr. MOAKLEY) to stand up and to talk about this process that we have been going through. As he is well aware, for many weeks we have worked together in a bipartisan basis. It is absolutely true that last night we came at the time a vote was necessary for us to decide what would be made in order, and I would like to reiterate that there were 11 amendments, 5 which were offered by Democrats or on a bipartisan basis that were accepted, and one of those amendments that was accepted was crafted very carefully, with a lot of hard work by the gentlewoman from Ohio (Ms. PRYCE).

Mr. Speaker, I yield 3 minutes to the gentlewoman from Ohio (Ms. PRYCE) to join in this debate.

Ms. PRYCE of Ohio. Mr. Speaker, I thank the gentleman from Texas (Mr. SESSIONS) for yielding this time to me. I rise in strong support of this fair and balanced rule which the House or which allows the House to debate and vote on the Financial Services Act. Updating our Nation's antiquated banking laws has been a goal of Congress for nearly 20 years, and we are finally standing on the doorstep of success. The journey to this point has been arduous, but those of us who have worked on this legislation understand the great benefit to our Nation's competitiveness and to American consumers who will enjoy more seamless financial services as a result.

The delicately crafted compromise legislation that will allow us to achieve these goals is protected by this balanced rule, and anyone who claims to be for financial services modernization should support the rule. It is our best chance to go forward.

There are many who have sacrificed their own key issues and set aside their

view of a perfect world in order to achieve the laudable goals of financial modernization, but, Mr. Speaker, sadly last night the spirit of compromise and sacrifice broke down in spite of the fact that 5 of 11 of the amendments that were adopted had Democratic names on them; broke down, and my Democrat colleagues on the Committee on Rules decided to undermine the years of hard work and jeopardize the success of financial modernization over the fate of one amendment.

Perhaps more disappointing is their decision to dishonor a commitment to bipartisanship on the bill and on an amendment that will protect the privacy of consumers' financial personal information. This is not a policy issue. The substance of the privacy amendment has not changed. It is a case of political one-upsmanship that dismisses the interest of the American people.

I hate to say it, but it appears that the Democrats are grasping at straws to find any issue with traction that bolsters their political advantage whether or not the policy is sound.

As a moderate Republican and a person who advocates reaching out across party lines to build consensus, I have to say that today I understand the public's cynicism about politics and politicians. It is truly a sad day for America when their elected representatives expend their energy to create chaos for political gain rather than progress for the American people. It is no wonder the American people are jaded. I know I am. But I cling to the hope that we will use our better judgment and redeem ourselves by voting to pass this rule and moving forward to pass historic bipartisan financial modernization legislation. I urge a yes vote on the previous question and the rule.

Mr. MOAKLEY. Mr. Speaker, I yield 5 minutes to the gentleman from Texas (Mr. FROST), a member of the Committee on Rules and the caucus chair.

Mr. FROST. Mr. Speaker, it is with great sadness that I rise in opposition to this rule. I do so, Mr. Speaker, in spite of my efforts to work with the Republican majority to pass a meaningful and bipartisan financial services modernization bill.

Mr. Speaker, I must oppose this rule because the Republican majority has deliberately given short shrift to redlining, an issue fundamental to Democrats and has denied us even the right to bring this subject up on the floor today. Democratic opposition to this rule because of this move on the part of the Republican leadership should come as no surprise. I would like to review how we reached this situation.

Several weeks ago, I was encouraged by the Republican leadership on the Committee on Rules to work on a bipartisan solution to the issue of financial privacy. I along with ranking Democrats on the Committee on Banking and Financial Services, the gentleman from New York (Mr. LAFALCE) and the gentleman from Minnesota

(Mr. VENTO) worked closely with my colleague on the Committee on Rules, the gentlewoman from Ohio (Ms. PRYCE) to develop a reasonable compromise on what has become a very contentious issue. We believed we had come up with just such a compromise. While our amendment gained support of a number of members of the Democratic Caucus, a significant number of our caucus oppose it because they believe it does not go far enough.

While my Democratic colleagues and I were working to fashion this compromise, it came to my attention that the leadership of the Committee on Banking and Financial Services and the Committee on Commerce had unilaterally dropped from H.R. 10 an important provision relating to insurance redlining against minorities and women. This provision had been part of the Committee on Banking and Financial Services bill reported by the Committee on Banking and Financial Services, and its inclusion had been instrumental in assuring the large bipartisan majority approval of the bill in the Committee on Banking and Financial Services.

The gentleman from Iowa (Mr. LEACH) had been told by his ranking member that this provision had to stay in the text of the bill in order for Democrats to continue to support the bill. Yet when the Committee on Banking and Financial Services and the Committee on Commerce Republicans met to reconcile the two differing versions of the bill, the antireddlining language was dropped.

Let us talk about what was dropped. This is a provision that seeks to prevent a financial holding company from engaging in the new activities allowed by H.R. 10 if an affiliated insurance company engages in discriminatory insurance redlining. Mr. Speaker, this is a fundamental issue for Democrats. This is an issue of fairness and equity. It is an issue that divides right from wrong.

I told the Republicans on the Committee on Rules in no uncertain terms that it would be unlikely that a single Democrat would vote for this rule if this language were not restored to the bill either by incorporating it into the base text or allowing an amendment to restore it on the floor. Let there be no mistake. I made this very clear long before last night's meeting. This was no surprise.

Yet, Mr. Speaker, last night the Republican majority on the Committee on Rules cavalierly ignored my advice. By doing so they have created a situation in which it is impossible to consider this bill on a bipartisan basis. They have thrown away the bipartisan goodwill and the hard work and dedication to the issue of financial services modernization as well as the hard work that went into what could have been a true bipartisan compromise on the most contentious issue of the bill, that of financial privacy.

It is clear that the Republican leadership has decided to try to pass this

rule without Democrat support. In doing so they have made a decision to jeopardize essential and critical legislation if even a few members of their own party desert them. Stated more simply: The Republican leadership runs the very real risk of snatching defeat from the jaws of victory.

This is a tragedy for our country. It is high time that we pass financial modernization legislation, that we leave behind the depression era laws that hamstring the financial services industry and prevent them from becoming truly competitive in the global marketplace. With the hard work of a number of Members of good will on both sides of the aisle, that objective was in sight, yet, Mr. Speaker, the Committee on Rules majority last night denied the one amendment that could have guaranteed passage of the rule and perhaps the bill.

I cannot understand how the Republican leadership could let this happen. But their decision has been made, and now all of us must live with the consequences.

Mr. SESSIONS. Mr. Speaker, I yield 2 minutes to the gentleman from Findley, Ohio (Mr. OXLEY).

(Mr. OXLEY asked and was given permission to revise and extend his remarks.)

Mr. OXLEY. Mr. Speaker, the gentleman protested too much.

When I came to the Committee on Rules yesterday in support of the bipartisan amendment on privacy and I was greeted by my friends on both sides of the aisle saying that we had a positive amendment that was going to deal with the privacy issue, it was supported by broad sectors of both parties, and when I left the Committee on Rules late yesterday afternoon, my assumption was that not only would that amendment be made in order, but the amendment would be cosponsored by Democrats and Republicans alike. When I found out later that evening, last evening, that there had been a failure on the part of my friends on the Democratic side to cosponsor the bill, I was deeply offended.

Now I do not get on this floor very often and get partisan, but I am telling my colleagues, around this place your word is your bond, and if you tell me that you are going to cosponsor an amendment with me, I fully expect that you will carry through. And the fact is that because of some political gamesmanship and somebody trying to take partisan advantage of somebody of goodwill, we find ourselves today in a partisan debate over an issue like financial services that has been bipartisan and supported by bipartisan majorities in both the Committee on Commerce and the Committee on Banking and Financial Services. And I think it is an outrage, an outrage, for people like me who acted in good faith to have the rug pulled out from under me because of some political game playing.

Now I want everybody to support the rule. This is a good rule, it is a fair

rule, and I suspect that when our amendment is offered on the floor, there are going to be a lot of Democrats who were going to cosponsor that amendment who were going to vote with us on that amendment because they thought it was a good amendment last night and they think it is a good amendment today.

So let us support the rule, let us get away from this nonsense of partisanship, pass this rule and pass this historic legislation as well.

Mr. MOAKLEY. Mr. Speaker, I yield 2 minutes to the gentleman from New York (Mr. LAFALCE), the ranking member on the Committee on Banking and Financial Services.

(Mr. LAFALCE asked and was given permission to revise and extend his remarks.)

Mr. LAFALCE. Mr. Speaker, I regret so very much that I must come here and oppose the rule because from the beginning of this Congress I have worked so closely with the chairman of the Committee on Banking and Financial Services, the gentleman from Iowa (Mr. LEACH), the chairman of the Committee on Rules, the gentleman from California (Mr. DREIER), and so many Members on my side of the aisle such as the gentleman from Minnesota (Mr. VENTO), et cetera, to craft a bill that we could wrap up and give almost as a gift and say: Pass it. And I think we did, and unfortunately last night the gift was unraveled.

We thought that there would be basic Committee on Banking and Financial Services text. In considerable part there was, but in some important parts there was not. For example, the issue of insurance redlining, I advised my chairman that this was taking on increased importance. I went to the Committee on Rules and said, I have a consumer amendment that I would like to offer with four parts; the most important part is the Barbara Lee amendment. I cannot begin to tell you how many Democratic votes I might lose if this is not base text or at least permitted as an amendment.

There was something else I said too: Look at the gentleman from Ohio (Mr. OXLEY), he said we worked out a good bipartisan amendment on privacy. He is right, it is good. It could be better, no question about it, but it is very, very good. But on the issue of medical privacy, which is totally different, I said we have a big concern.

Virtually every medical association and health association in the entire United States is concerned. We can deal with that concern by either making crystal clear, explicit that the language on medical privacy does not preempt the right of the Secretary of HHS to issue regulations subsequent to August 21, and the bill, the amendment of the gentleman from Iowa (Mr. GANSKE), just does not do that, it does not address the issue. Or alternatively, take the amendment of the gentleman from California (Mr. WAXMAN) which

would delete the medical privacy provisions. The amendment of the gentleman from Ohio (Mr. OXLEY) and myself and others does not deal with that issue at all; that is in base text now.

They did not do that. They allowed some other amendments that are atrocious, that undermine the Bank Secrecy Act. It would permit the re-domestication of mutual insurance companies that has nothing whatsoever to do with financial services.

□ 1215

Mr. SESSIONS. Mr. Speaker, I yield 3 minutes to the gentleman from Atlanta, Georgia (Mr. LINDER).

Mr. LINDER. Mr. Speaker, I thank the gentleman from Texas (Mr. SESSIONS) for yielding the time.

Mr. Speaker, I rise in strong support for House Resolution 235, a structured rule providing for consideration of H.R. 10, the Financial Services Act of 1999.

Mr. Speaker, what we are witnessing this afternoon is the politics of legislative destruction. There are some in this Congress whose game is to stop important legislation, especially historic legislation, and there should be no doubt that this banking bill is an historic accomplishment.

This bill has been painstakingly crafted to achieve a balance between all of the parties, and we have a great opportunity to promote competition, protect consumers and give firms the ability to compete globally as we enter the 21st century, and this rule will hold together the compromise legislation that Members have constructed after many years of hard work. Unfortunately, because some Members did not get everything they wanted, they decided to threaten the passage of the legislation.

Earlier this week, we had a strong, bipartisan privacy amendment with Democrat and Republican cosponsors. I sat through 4 hours of testimony in the Committee on Rules yesterday, and leading Democrats on the Committee on Banking and Financial Services argued that this privacy legislation was a great accomplishment and that the language would benefit American consumers. Then last night, because they did not get everything they wanted, some Members took their names off the bipartisan amendment and decided for partisan purposes to jeopardize this important legislation.

Perhaps because of this kind of partisan demagoguery, and we are going to hear the minority demagogue privacy and redlining all afternoon, much of the financial services industry remains the same as it was 66 years ago. We have a chance to change the New Deal regulations that locked down certain activities and interests of financial security. H.R. 10 will free the market to determine the future of the financial services industry.

I am also surprised that any Member would endanger banking modernization, because the timing of this legislation is critical. American institutions

are losing market share to foreign financial institutions. This bill will modernize the industry and relieve U.S. financial institutions of their current international competitive disadvantage.

It comes down to this: The philosophy of this Congress is to encourage competition in order to provide more efficient service and superior products to the consumer. We did that in telecommunications. We put market forces to work in crafting Medicare. Today we lay the foundation for a new financial services industry that creates more choices and lower prices for consumers and enables companies to compete in the global marketplace.

Are all the interested parties happy with everything in the bill? No, certainly not; including me.

There is an amendment that I wish were made in order but it could not be, and that is probably a pretty good indication that we have a good piece of legislation in front of us.

I urge all of my colleagues to ignore the demagoguery, understand that there is an effort here to make a partisan victory. Support this rule and pass this historic legislation.

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

Mr. Speaker, I was just handed a letter written by Robert Rubin, Department of Treasury, who I am sure is not engaged in this political plight. I would like to read a paragraph.

"While the amendment purports to be about bank customer privacy, in reality it will significantly undermine the crucial law enforcement tool, the Bank Secrecy Act. The amendment would eliminate the mandatory reporting of suspicious activity, enabling money launderers to deposit as much as \$25,000 of dirty money with no report being filed, and eviscerate provisions aimed at preventing money laundering at financial institutions." Signed Robert Rubin.

This was done away with as a result of the Paul amendment.

Mr. Speaker, I include the letter for the RECORD.

DEPARTMENT OF THE TREASURY,
Washington, DC, July 1, 1999.

Hon. RICHARD A. GEPHARDT,
Minority Leader,

House of Representatives, Washington, DC.

DEAR DICK: I write to express my concern about the Paul-Barr-Campbell amendment to H.R. 10, the Financial Services Act of 1999. The Department of the Treasury strongly opposes this amendment.

While the amendment purports to be about bank customer privacy, in reality it will significantly undermine a critical law enforcement tool—the Bank Secrecy Act (BSA). The amendment would eliminate the mandatory reporting of suspicious activity enable money launderers to deposit as much as \$25,000 of dirty money with no report being filed, and eviscerate provisions aimed at preventing money laundering at financial institutions.

For nearly 30 years, the BSA has been a critical component of our attack on money laundering. Its requirements help prevent the placement of dirty money in our financial institutions and provide information

vital to detecting and investigating money laundering. Combating money laundering, in turn, has proven to be a remarkably effective way to attack drug cartels and other criminal groups. In Operation Casablanca, the largest drug money laundering case in U.S. history. Customs used suspicious activity reports (SARs) and currency transaction reports (CTR) to identify subjects and assets linked to the overall conspiracy. By weakening these BSA reporting requirements, Paul-Barr-Campbell would mark a retreat in our fight against narcotraffickers.

In addition to keeping drug money out of our financial institutions, the record-keeping and reporting requirements also help law enforcement detect and investigate financial crimes aimed at those institutions. According to the FBI, during FY 1998, it used SARs in 98 percent of the cases initiated by its financial institution fraud unit. In the same period, the Department of Justice secured 2,613 fraud-related convictions in cases involving SARs, and restored more than \$490 million in proceeds to victims of fraud schemes.

Every Administration since 1970 has supported the BSA. Because of the BSA, the United States is viewed as a leader throughout the world in assuring that individual freedom and reasonable financial transparency are not only compatible but go hand in hand. I urge you to support law enforcement and protect the integrity of our financial institutions from drug traffickers and other criminals by opposing the Paul-Barr-Campbell amendment.

Sincerely,

ROBERT E. RUBIN.

Mr. Speaker, I yield 3 minutes to the gentleman from Michigan (Mr. DINGELL), the ranking member of the Committee on Commerce.

(Mr. DINGELL asked and was given permission to revise and extend his remarks.)

Mr. DINGELL. Mr. Speaker, this is a bad rule. It is a bad bill, and the process is arrogantly crafted to deny the House the opportunity to consider important questions.

It is the function of the Committee on Rules to make possible an orderly debate but also to see to it that important national questions are discussed. This is not a rule; it is a gag rule.

The committee has chosen to deny the committees and the Members of this body opportunities to discuss very important matters.

The rule is unfair to taxpayers. It greatly prevents us from addressing the question of how we will assure that banking insurance paid for by the taxpayer will not be used to cover risky, speculative activities. No amendment can be offered on this point.

The rule is unfair to consumers. The rule does not permit amendments to restore consumer protections stripped out of the bill by the Committee on Rules.

The bill preempts more than 1,700 State insurance laws across the country, and, if this bill passes in its current form, every State insurance law that is to protect consumers of insurance products will be essentially rendered null and void.

We will be allowed to consider one consumer-related provision. That is an

amendment to deny consumers meaningful information on the costs of products that they buy, and we will change that.

This rule is unfair to investors. The bill still contains enormous loopholes in investor protections when securities are sold or underwritten by banks. An amendment to close just one of those loopholes was denied by the Committee on Rules.

The worst thing that this bill does is it denies protection of privacy of American people. It does not allow the ordinary citizen to know that his personal financial information is not going to be thrown around wherever the holder of that particular information might choose to place it.

We have an amendment which would have assured protection of that. That amendment is prohibited by this rule.

In like fashion, the medical information of every citizen is, under this legislation, thrown open to the gaze of all. The result of that, of course, is going to be significant loss of personal privacy by ordinary citizens with regard to medical conditions and medical care.

I think that is wrong. The Committee on Rules did not permit an amendment to address that question.

My question to the Republican leadership, my question to the Committee on Rules is: What are they afraid of? Why is it they are gagging this body? Why is it that they refuse to allow these questions to be debated?

Let us allow the House to work its will. Let us allow fair consideration of all of the important questions that need to be addressed. If my colleagues are right, I am sure they will prevail. If they have the votes, they might even prevail when they are not right, but the hard fact of the matter is at least allow the House to address these questions. They are important.

I am sorry to see the day when the Committee on Rules would exert such outrageous power.

Mr. SESSIONS. Mr. Speaker, I would inquire as to the time remaining on both sides.

The SPEAKER pro tempore (Mr. EWING). The gentleman from Texas (Mr. SESSIONS) has 15½ minutes remaining. The gentleman from Massachusetts (Mr. MOAKLEY) has 14 minutes remaining.

Mr. SESSIONS. Mr. Speaker, I yield 2 minutes to the gentleman from Des Moines, Iowa (Mr. GANSKE).

(Mr. GANSKE asked and was given permission to revise and extend his remarks.)

Mr. GANSKE. Mr. Speaker, as Members on both sides of the aisle know, I have stood on this floor night after night talking about abuses in the HMO industry and insurance, and I do that not to bash the insurance industry but to try to protect patients.

There is a provision in this bill that I think helps protect consumers. We are talking about creating an entity that combines insurance, banking and

securities. I think there should be a provision in this bill that protects a person who has insurance information on their health from having that information transferred over to the banking side.

I do not want information like this, or HIV positive status, being transferred to the banking component. So in this bill there is a provision that was passed by the Committee on Banking and Financial Services with a lot of Democrat votes. Most of the Democrats on the Committee on Banking and Financial Services voted for this language that says that unless a consumer authorizes, someone cannot take that health information from the insurance portion and transfer it to the banking portion, or outside of it.

Nothing in this legislation precludes the Secretary of Health and Human Services from going ahead and issuing her regulations. I want it to be on the record that the intent of the author of this provision, me, specifically says this legislation does not preclude the Secretary from going ahead and issuing regulations. Specifically in this bill, this language, it says that if comprehensive medical privacy legislation passes, it supersedes this language. This is an important consumer consideration. We should have something in this bill that protects a consumer from thinking that their private health insurance information can be shared with those affiliates within that financial services company.

This is a consumer protection. Does it go as far as some of the people who want comprehensive language? No. Does it deal with research? No. Those are very complicated issues that we need to deal with, but this is something that we all should support, and I urge my colleagues to support the rule.

Mr. MOAKLEY. Mr. Speaker, I yield 3 minutes to the gentleman from Massachusetts (Mr. MARKEY), the author of the privacy amendment that was not allowed.

Mr. MARKEY. Mr. Speaker, I thank the gentleman from Massachusetts (Mr. MOAKLEY) for yielding me this time.

Mr. Speaker, this is a terrible rule. The gentlewoman from California (Ms. LEE) in the Committee on Banking and Financial Services wanted an amendment to protect against insurance companies redlining the poorest people in our country. The Committee on Rules strips out the protection for those poor people, just strips it out. That is not fair. It is a bad rule.

I won my amendment in the Committee on Commerce guaranteeing the protection of privacy for the checks, for the mortgages, for the insurance records, for the brokerage receipts of every American, inside the bank, outside the bank. The Committee on Rules strips it out. They will not allow for those protections to be built into this bill, and no amendment will be put on the floor which makes it possible.

The gentleman from California (Mr. CONDIT) asked the Committee on Rules

to put in order an amendment which would allow for medical records, your children's Ritalin, your daughter's anorexia, your wife's breast condition, your father's prostate condition to be protected. They will not allow the Condit amendment to be debated on the floor.

Mr. Speaker, there is a Dickensian quality to this wire. Yes, we want financial industries to be able to work more efficiently, but it is the best of wires and the worse of wires simultaneously.

The Republicans are saying we need commerce but commerce without a conscience, without any protection for poor people, without any protection for medical records, without any protection for everyone's financial secrets that no one else has any business getting into.

Mr. Speaker, they are willing to protect people's secrets from being robbed by third parties but not against embezzlement inside of a bank. They can take someone's information and sell it to anybody they want.

This is a terrible rule. This is a rule which compromises the individual integrity of every American in our country. I strongly urge a no vote on the rule so that we can have the proper amendments put in order to give the American individual the protections which they are going to need as we move to this new era of cyber-banking.

Every American has a right to knowledge about information being gathered about them, notice that it is going to be reused for purposes other than that which they originally intended, and the right to say no to banks, to hospitals, to insurance companies, to anyone else that seeks to use a family's private information as a product.

The Ganske amendment does not provide that protection. The exceptions in the Ganske amendment swallow this rule. There is no protection against medical records being compromised. Vote no on this rule. Send it back to the Committee on Rules. Allow for these amendments to be brought out here on the floor for a full debate of the modern financial era and what it means to every American in our country.

Mr. SESSIONS. Mr. Speaker, I yield 2 minutes to the gentleman from Iowa (Mr. LEACH), the gentleman who is the chairman of the Committee on Banking and Financial Services and a gentleman who has been engaged in the methodical, bipartisan effort to get this bill where it is.

□ 1230

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

Frankly, Mr. Speaker, perspective is very difficult to bring to situations like this. Let me say that I believe both sides have some truth. I am not a great enthusiast for this rule, but I would urge serious consideration to its passage. I will vote for it.

Frankly, the main two amendments that I asked to be placed in order were the Largent amendment, which would have protected community banks somewhat stronger, and the Lee amendment. By background, let me stress, the Lee amendment comes from the Committee on Banking and Financial Services. It passed by a one-vote margin in committee. I voted for the Lee amendment. I would have supported it on the House floor.

But I would also say to my colleagues that if they look at the big picture, two aspects have to be understood.

One, the principal committee of jurisdiction over the act that it modifies is the Committee on the Judiciary, and the Committee on the Judiciary objected to its consideration in this bill before it had a chance to look at it. That is something that in my view the Committee on Rules gave disproportionate attention to, but it was a valid consideration.

Second, let me just say on redlining, it is an important issue. But the most important aspect on this bill relates to the Community Reinvestment Act, which this bill broadens in two profound ways. One, it makes CRA a condition of affiliation for banks if they want to affiliate with insurance companies and securities firms, and second, it applies the CRA to a newly created institution called wholesale financial institutions. These are strong steps towards protecting against redlining.

Finally, I would caution people on the rhetoric of privacy. There has never been a bill in the modern generation that in its underlying text has brought more privacy protection to financial services than this one. The amendment that is being worked on brings even more. It may not go quite as far as some might want, but it nonetheless is the strongest privacy protection bill ever brought before this body in any modern Congress.

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

I am sure if the gentleman's two amendments had been adopted in the Committee on Rules, we would not have had this fight on the floor. It probably would have been passed already.

Mr. Speaker, I yield 1 minute to the gentlewoman from California (Ms. LEE).

Ms. LEE. Mr. Speaker, I thank my colleague for yielding time to me.

Mr. Speaker, I rise to speak against the rule. First, I cannot believe that the Committee on Rules blocked several of our important consumer protection amendments. It is shocking that the Committee on Rules blocked the anti-redlining amendment adopted by the Committee on Banking and Financial Services in markup.

Somehow this amendment was just deleted with no vote, no debate, by the stroke of a pen or a computer error. When I asked my colleagues how this could happen this morning, I was reminded of the many anti-democratic

maneuvers that we face each and every day in this House. How tragic.

This anti-redlining amendment is to prevent insurance affiliates from redlining. It fits squarely into our country's history to not tolerate discrimination in its many forms, but particularly not to allow discrimination in housing.

It was adopted in open session on a rollcall bipartisan vote. Whether it was by one vote or by 20 votes, it was democratically adopted. The amendment is an important tool in fighting redlining and racial discrimination. It is inconceivable to me that members of the Committee on Rules would go on record as opposing fair housing and in support of redlining.

I urge rejection of this horrendous, outrageous rule.

Mr. Speaker, we have not allowed banks to discriminate—why should we allow insurance Companies to discriminate?

It is vital to remember, to know that the Supreme Court, in recent years, upheld the Fair Housing Act as covering the sale of homeowner's insurance. The NAACP, and the Justice Department sued the American Family Mutual Insurance company on discrimination in selling their homeowner insurance. The Supreme Court ruled in their favor and the company settled. Thus, there is no question of federal interest in the sale of homeowners' insurance.

I have been informed that this amendment displeases the insurance industry. I hope that I am wrong. We are almost forty years from the blood, sweat and deaths of the civil rights movement. The cause for that struggle remains in 1999. This modest amendment asks the minimum: that insurance companies, just like banks, should not discriminate.

H.R. 10 is heavily biased toward the interests of the financial services industry with little concern for consumers and communities. Deletion of the Fair Housing Act protections exacerbates this imbalance—and reinforces the image of H.R. 10 as an industry legislative product.

The record of companies on fair lending, redlining, and discrimination should be a consideration in establishing eligibility for the formation of a financial holding company. Elimination of this provision rewards the lawbreakers and allows the guilty companies to have the same rights, the same privileges, the same benefits as the majority of companies which are law abiding.

I am shocked. I do not want to believe that insurance companies, in the lushness of our booming economy, would resist the idea behind the legislation. As I said earlier, the goal of the legislation is modest. It only asks insurance companies to not be in violation of the Fair Housing Act. That they be fair in selling their policies. That the sale of an insurance policy should be a business transaction, not a transaction that gives vent to prejudices, stereotypes as to who is and who is not worthy of being a customer by virtue of their residence.

The Rules Committee has effectively blocked a formal, and democratically arrived-at decision to eliminate redlining. This blatant violation of our legislation process is outrageous and should be illegal.

I ask my colleagues to vote against the rule and to support a motion to recommit.

Mr. SESSIONS. Mr. Speaker, I yield 5 minutes to the gentleman from Texas (Mr. DELAY), the majority whip.

Mr. DELAY. Mr. Speaker, in urging adoption of this rule, I want to just touch on two issues that may be troubling some of our colleagues.

First, we are blessed in America with a greatly diversified financial services industry. Oftentimes, however, these financial institutions, their regulators, and Members of Congress find themselves at odds on important policy, business, and competitive issues.

While some banks are a part of a very large, diversified holding company and can take advantage of sophisticated delivery systems, others are independent and must fend for themselves.

Regulations are written chiefly to keep the large, complex organizations operating within the law, but then they are similarly applied to the same small, independent bank. This situation is made worse for the small community bank when we consider that their primary competitors escape the consequences of heavy regulatory and tax burden.

This is wrong. Federal policies should not be implemented to create an unfair competitive advantage that benefits one industry over another, where they compete for the same customer base.

We often overlook the fact that small banks are small businesses themselves. They serve as economic engines that drive the local rural economies, benefiting millions of consumers, small businesses, family farms, and local merchants.

Having said that, however, and as a free market proponent, I must also add that I am sensitive to the community banks' concerns. Although I am sensitive to those concerns, I cannot agree with their position that we should act to isolate them from competition.

No, I say to my colleagues, that is not a satisfactory answer to their concerns. Instead, let us work together in passing this rule and H.R. 10 today, and then work to pursue regulatory and tax relief for small community banks. It is crucial that we act to preserve the open market competition, rather than attempting to burden their potential competitors, and rather than attempting to turn back the clock.

Congress should work to help unburden the community banks in this country.

Mr. Speaker, my second point concerns the unitary thrift issue. H.R. 10 is designed to help increase competition and to benefit consumers, communities, and businesses. With those goals in mind, how can we justify reining in the unitary thrift holding companies?

Mr. Speaker, for the record, I would like to clarify that the unitary thrift holding company is not a loophole. More than 30 years of experience and volumes of legislative history underlay the foundation of its structure. Congress acted specifically to bring both capital and management expertise into the thrift industry and to promote housing.

Simply put, restricting firms from transferring ownership in an attempt to thwart competition disadvantages investors. In fact, some thrifts were created at the urging of the Federal government. I am strongly opposed to a legislative taking that might lead to significant costs to the U.S. Treasury. I feel strongly that investors should not have value taken from them through some arbitrary action of Congress.

No evidence based on safety and soundness has been presented that would justify prohibiting unitary thrifts from being sold to other companies. Likewise, no evidence suggests that financial companies that buy unitary thrifts should not continue operating their commercial activities.

Mr. Speaker, today we are focused on promoting economic efficiency and growth. Congress should do something positive for our independent community banks, rather than trying to do something negative to a group of potential competitors.

I urge my colleagues to pass this rule and adopt H.R. 10, and let us send it to conference.

Mr. MOAKLEY. Mr. Speaker, I yield 2 minutes to the gentleman from Minnesota (Mr. VENTO).

(Mr. VENTO asked and was given permission to revise and extend his remarks.)

Mr. VENTO. Mr. Speaker, I rise in strong opposition to the rule.

Frankly, banking modernization, financial modernization, is one of the important issues before the Congress. I want to commend especially the gentleman from Iowa (Chairman LEACH) and my fellow members on the Committee on Banking and Financial Services for working together. We brought together a good bill, with a lot of effort in terms of the private sector concerns, banks, securities, insurance firms, to deal with issues and the administration.

The other side of financial modernization is how it affects consumers. We protected CRA, we provided choice for corporations with regards corporate structure and regulator. Frankly, I think we put together a pretty good privacy solution that is embodied in this rule.

But beyond that, there is an important issue here of principle, one that I cannot violate. That is that communities cannot be redlined by insurance companies or anyone else. I know many stand for those same civil rights, those same rights to poor people, to minorities and others.

Frankly, the Committee on Rules last night extinguished that bright light of bipartisanship on the basis of something to me that is fundamental principle. We should correct that. We had before us a nice, bipartisan meal, three courses, and this Committee on Rules turned that meal to gruel. We should address that particular concern.

We cannot go back on the progress that we have made eliminating dis-

crimination moving forward in terms of home ownership in this country, and the many other economic opportunities; that this financial modernization should not just extend to the profit side the financial institutions bottom line, but to the service of our constituents, to the minority populations blacks, Asians and Hispanics, to all the poor in our society who have a right to benefit from financial modernization. We have a responsibility to make certain that this law works for all.

That is what the promise of this bill is, and Members cannot stand up for three or four insurance companies that want to get in the way of extending that particular benefit to those who would be redlined. That is what this rule does.

There is probably enough blame to go around on both sides regarding the misunderstanding. There is much good in this bill. We could march forward and change this rule and provide for the opportunity to in fact challenge the redlining that occurs or may arise, and to fulfill really what is the promise of this Nation to all people, the opportunity to fully and fairly participate in the Nations economy and financial market place without discriminatory barriers such as redlining!

Mr. Speaker, as late as yesterday afternoon, I fully expected to be speaking in strong support of the Rule. That expectation was based on the fact that the House would be considering a solid, bipartisan legislative product. With Chairman LEACH's leadership, the Financial Services Modernization Act, as approved by the Banking Committee, laid a solid base which Democrats and Republicans alike could support. It had the support of the Administration and virtually most of the affected financial entities. There were congressional jurisdictional differences, to be sure, and pride of authorship disagreements but we worked together and achieved a good bill prior to the rules action. The reason for this broad support was simple—most Democrats and Republicans had put aside most partisan differences and worked on the issues. In the Banking Committee, very few votes were along party lines and the debate was on the substance—not to score political points. That is why our Committee reported H.R. 10 by a vote of 51 to 8.

My hope for this legislation was raised by the solid bipartisan agreement that was achieved for a strong privacy policy within the Rules Committee. I was proud to initially co-sponsor that amendment with my Democratic and Republican colleagues. It was an amendment which would bring an effective, workable privacy protections for all consumers and an amendment which Democrats and Republicans could support.

Unfortunately, late in the night, the bright light of bipartisan cooperation was extinguished. With a good meal of bipartisanship set before us, the Majority Party leadership got a case of indigestion and served the House a rule of thin gruel. Instead of using Rolaids, the Leadership resorted to the old home remedy—muscle through a rule without any Democratic support.

It is an unfortunate decision. What could prompt the Speaker and the Republican lead-

ership to walk away from the brink of bipartisanship? Was it some new Democratic plot to gain control? Or a liberal demand for more bureaucracy? No, it was a simple request for fairness. It was a request that in order for insurance companies to affiliate under this law of financial modernization, they had to comply with the Fair Housing Act. Simple stated insurance companies that discriminate cannot reap the rewards of this Act. Is that such an onerous demand? Should this legislation protect and reward those who practice racial redlining? That is what the House would be left with in this Rule. It's a matter of fundamental fairness.

The Republican majority and leadership run this House and while mistakes have occurred on both sides of the aisle, this issue of redlining can still be fixed. Unfortunately stubborn partisanship and special interests have won out. As a result, I cannot support this rule.

Mr. MOAKLEY. Mr. Speaker, I yield 1 minute to the gentleman from Texas (Mr. BENTSEN).

(Mr. BENTSEN asked and was given permission to revise and extend his remarks.)

Mr. BENTSEN. Mr. Speaker, unfortunately, on the way to passing what would have been a very good bill, would have worked out the privacy issue in my regard, and I have worked with both sides to try and do this and was trying to get the rule passed, but the leadership, the Republican leadership, through apparently arrogant ineptitude, has messed this thing up.

We told them not to take the Lee amendment out, that that would raise the bar and make it impossible to get the rule done, but they did it anyway. They say they do not want to stop redlining, they want to stop commerce and banking, but then they made the Burr-Myrick amendment in order. Do Members know who that helps? It helps one insurance company in North Carolina. This is like a State legislative bill. This is like a special interest tax bill.

We worked in a bipartisan way to get this bill done. I take a more free market approach on these issues than probably most of the Republicans do. We had a good bill going. They messed it up. Are they going to do that to every piece of legislation that comes to the floor? This is just ridiculous. This is an important issue that we should get done and they failed, and they failed miserably.

Mr. MOAKLEY. Mr. Speaker, I yield 1 minute to the gentleman from California (Mr. WAXMAN).

(Mr. WAXMAN asked and was given permission to revise and extend his remarks.)

Mr. WAXMAN. Mr. Speaker, this bill was supposed to be about financial services, but it actually contains the most severe invasion of Americans' right to medical privacy ever considered by the Congress.

As the L.A. Times wrote in an editorial today, "not a shred of protections are left. Health insurers can peddle patients' privacy with little or no restraint." Under this bill, health insurers can sell genetic records to credit

bureaus, life insurance companies, without the consent or even the knowledge of the patient.

I have a high regard for the gentleman from Iowa (Mr. GANSKE). I do not think he realizes what he has opened the door to in terms of the invasion of medical privacy. That is a different issue than privacy of financial records. But this medical privacy provision allows information to be made available and to be sold without us ever knowing about it, about our most intimate medical problems.

I would rather have nothing on medical privacy than a provision which takes us a big step backwards.

Mr. MOAKLEY. Mr. Speaker, I yield 1 minute to the gentlewoman from Colorado (Ms. DEGETTE).

Ms. DEGETTE. Mr. Speaker, here is another reason to oppose this rule. In the Committee on Commerce, the gentleman from Ohio (Mr. OXLEY), chairman of the subcommittee on Finance and Hazardous Materials and I offered an amendment to prohibit entities that sell insurance from discriminating against victims of domestic violence by selling, underwriting, or paying insurance policies by using domestic violence as an underwriting criteria.

This was an amendment unanimously supported in the committee, passed the House last year. It is very important. We should have voted on it by itself. Unfortunately, the amendment was not made in order by itself and was included as part of a very controversial amendment offered by the gentleman from Virginia (Mr. BLILEY).

What we are talking about here is trying to help businesses and trying to help consumers. Instead, we are just getting too cute by half. I think what we need to do is send this rule back to the Committee on Rules so they can get all of these amendments straight, and they can benefit consumers as well as businesses.

□ 1245

Then we can all vote for the bill. We can send it on to conference, and we can adopt it.

Mr. SESSIONS. Mr. Speaker, I yield 15 seconds to the gentleman from Iowa (Mr. GANSKE) for the purposes of rebuttal.

Mr. GANSKE. Mr. Speaker, I point out that the language on medical privacy says the insurance company shall maintain a practice of protecting the confidentiality of individually identifiable consumer health and medical and genetic information and may disclose such information only with the consent or at the direction of the customer.

Mr. MOAKLEY. Mr. Speaker, I yield such time as he may consume to the gentleman from New Jersey (Mr. MENENDEZ), the chief deputy whip.

(Mr. MENENDEZ asked and was given permission to revise and extend his remarks.)

Mr. MENENDEZ. Mr. Speaker, I rise in opposition to the rule.

Mr. MOAKLEY. Mr. Speaker, I yield 1 minute to the gentleman from Washington (Mr. INSLEE).

Mr. INSLEE. Mr. Speaker, this rule is defective. This rule does not protect Americans' privacy. It protects piracy. It protects the continued piracy of banks who are selling our credit card numbers, selling our checking account information, selling even the account numbers in our savings accounts to telemarketers who call us at night and try to sell us products we do not want and we did not ask for.

Americans deserve the right to say no, to tell banks do not sell my credit card number. Do not sell my account information. Do not sell my checking account information.

If we kill this rule, we are going to give Americans that right. This rule is a cruel hoax. It has a loophole big enough to drive an armored car through. Because while it says they cannot give our information to third party telemarketers, it allows banks to simply buy the telemarketers and continue to commit the same crime, the same sin. All they have got to do is change the name on the door, and they will continue to violate our privacy rights.

Listen to the American people. Do not have industry dictate this rule. This is the people's House. Kill this rule.

Mr. SESSIONS. Mr. Speaker, I yield 1 minute to the gentlewoman from New Jersey (Mrs. ROUKEMA).

Mrs. ROUKEMA. Mr. Speaker, I must say that I do not believe quite this partisanship here. After all, this was the product of years of careful negotiation. If it had been easy, we would have passed this years ago.

But having said that, I want to get back to this question of privacy because obviously this does not deal with all the issues of privacy. But what is in this bill that has been stated is excellent.

Now, weeks ago, I, as the chairman of the Subcommittee on Financial Institutions and Consumer Credit, announced that, given the complexities of the privacy questions, we were going to have hearings. Those hearings are being held in July.

This is not the vehicle to write comprehensive privacy reform. I know that not only I, but certainly the gentleman from Iowa (Mr. GANSKE) and the gentleman from Virginia (Mr. BLILEY) and the Committee on Commerce will be working with us to get a more comprehensive look at the privacy issues.

This is not the vehicle for comprehensive privacy reform. This is being used as an excuse to let us not do our job and hand over to the regulators and the courts the continued rewriting of financial institutions. That is abrogation of our constitutional responsibility.

Mr. MOAKLEY. Mr. Speaker, I yield 1 minute to the gentlewoman from Connecticut (Ms. DELAUBO).

Ms. DELAUBO. Mr. Speaker, I rise in opposition to this rule. We had a chance to protect the privacy of American consumers. The Republican lead-

ership blocked it. Instead, we have a bill that enables the insurance and the banking industry to disclose an individual's personal health and financial information without their consent.

What will failure to include these basic privacy provisions in the bill mean for Americans? One could be denied medical coverage based on incorrect information in one's medical record, records that consumers would have no opportunity to correct. Medical research would be stifled because no one would trust that their participation in a medical study would be private.

As a cancer survivor, I can tell my colleagues that the thought of my personal records being zipped around the Internet is frightening. This is the Big Brother bill. Big Brother is watching, watching one's medical records, watching one's financial records. He knows when one has been sick. He knows how much one has in one's bank account.

Enough is enough Congress. This bill violates the constitutional rights of American citizens. We can do better.

Mr. SESSIONS. Mr. Speaker, I yield 1 minute to the gentleman from Texas (Mr. PAUL).

(Mr. PAUL asked and was given permission to revise and extend his remarks.)

Mr. PAUL. Mr. Speaker, I rise in strong support of this rule. I am known to be very concerned about the privacy of all Americans and am tenacious in protecting the privacy of everyone.

I believe I am a well-known civil libertarian. But I do believe this bill adequately protects privacy, except in one area. It has not eliminated the potential Know Your Customer regulations. My amendment permits this. It is the regulations such as Know Your Customer that is the motivation for banks to collect so much information.

So I rise in support of the rule, but also mention that the Paul-Campbell-Barr amendment will allow us to bring to the floor an amendment that will eliminate once and for all the availability of Know Your Customer regulations by the various regulators.

I am in strong support of this rule, believing very sincerely this bill does protect privacy. But we can make it better by passing my amendment.

Mr. MOAKLEY. Mr. Speaker, I yield 1 minute to the gentlewoman from Florida (Mrs. MEEK).

(Mrs. MEEK of Florida asked and was given permission to revise and extend her remarks.)

Mrs. MEEK of Florida. Mr. Speaker, I thank the gentleman from Massachusetts for yielding me this time.

Mr. Speaker, I stand to ask the Congress to vote against this rule. I want to tell my colleagues why. Whenever there are this many kinds of constraints and hesitations on the part of the body concerning a bill so important as this one, the main thing to do is just to kill it. Get rid of it. Vote against it because there are too many ifs in this particular rule. The if in terms of the

gentlewoman from California (Ms. LEE) who tried to make it better by putting in something against redlining. All of the attempts at trying to help in terms of privacy were ignored by the Committee on Rules.

Well, that means only one bottom line. Vote against the rule so that they will have to go back and change this and consider some of the many things which my colleagues have heard here.

Holding companies who seek to be qualifying financial holding companies under H.R. 10 would be prohibited from violating the Fair Housing Act if one were to take the amendment of the gentlewoman from California (Ms. LEE). But, no, they did not. They did not see the right to take it. So now they take away the ability to pass a bill. Vote against this rule.

Mr. MOAKLEY. Mr. Speaker, I yield 1 minute to the gentlewoman from California (Ms. ESHOO).

Ms. ESHOO. Mr. Speaker, I thank the very distinguished ranking member of the Committee on Rules for yielding me this time.

Mr. Speaker, I rise this afternoon in opposition to the rule. So many of my colleagues on this side of the aisle have expressed very eloquently their problems with the rule and why they oppose it.

My main reason and what brings me to the floor today in opposition is for the reason of privacy, privacy, privacy, privacy. If there is anything that runs through the veins of the American people, it does not matter what party they belong to, it does not matter where they live, it does not matter how much money they have, it does not matter what color they are, they want their privacy protected.

There is something wrong when the Congress considers a bill where the bankers know more than our doctors or have the same information. We need to stand with our constituents in this battle, and we need to stand next to what every red-blooded American understands, that what they have in their checking account, what they have in their money market account is no one else's business. It should not be sold. It should not be marketed. It should be kept private.

I urge a "no" vote on the rule and the bill.

Mr. MOAKLEY. Mr. Speaker, I yield 1 minute to the gentleman from California (Mr. CONDIT).

(Mr. CONDIT asked and was given permission to revise and extend his remarks.)

Mr. CONDIT. Mr. Speaker, I rise in opposition to the rule today. We ought to do financial services reform. We ought to be doing that. But we ought not to be doing it at the expense of the consumer, at the expense of the patient and the citizen when it comes to protecting their privacy. That is what we are doing today.

We have made a choice to do this bill, to pass this bill in the House today at the expense of protecting the privacy

of patients and consumers, and that is wrong. That is flat dead wrong. We ought to oppose this rule today.

I want to speak just for a moment to the reason why I think we ought to oppose it beyond not protecting our citizens' privacy. But we ought to oppose it on the medical privacy part of this bill. We offered two amendments to the Committee on Rules yesterday, both were rejected, that simply said let us set aside the medical privacy part of this bill.

It has been suggested by the gentlewoman from New Jersey (Mrs. Roukema) that this is not the place or the time. She is right. We ought to debate it in a more comprehensive bill coming in July.

I would ask my colleagues please vote against this rule. Protect the privacy of the American people. Let us have a privacy debate at the appropriate time.

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

Mr. Speaker, we are now at the very end of this debate on the rule. We have heard and had a vigorous debate today about. We have had a vigorous debate about the various aspects of this rule and of the bill that is before us.

I am pleased to say that, until last night, we had been working for weeks to craft a compromise, not only on privacy, but other issues. I can tell my colleagues that the compromise that was crafted up until last night is the one that is in the rule. It was bipartisan until then, and I am very proud of it.

Mr. Speaker, I yield such time as he may consume to the gentleman from California (Mr. DREIER) the distinguished chairman of the Committee on Rules.

Mr. DREIER. Mr. Speaker, I would like to thank the gentleman from Texas (Mr. SESSIONS) for yielding to me, and I congratulate him on the superb management of this rule.

The framers of our Constitution wanted the process of lawmaking to be difficult, and they wanted this place to actually be inefficient because they did not want one person to get too much power.

When I think about where I was 13 years ago, I was a Member of the House Committee on Banking, and I joined with the gentleman from New York (Mr. LAFALCE) and several of our former colleagues who are no longer here, Doug Bernard, Steve Barlett, Jack Hiler and others. At that time, we began crafting legislation that allowed for the establishment of financial services holding companies with what is known as a three-way street for affiliation among securities, banks, and insurance. It obviously was the wave of the future, and it is something that we are finally dealing with today.

Those efforts are finally coming to fruition after nearly a decade and a half. It is happening because of the work of the gentleman from Virginia (Mr. BLILEY) sitting back there in the

back of the Chamber, the gentleman from Iowa (Mr. LEACH), the chairman of the Committee on Banking, and the gentleman from Ohio (Mr. BOEHNER), who is back in the cloakroom who last year brought us very close to a victory.

I think that we unfortunately have gotten to the point where we are allowing what has been said earlier, very, very petty partisanship, to undermine what is a very, very important issue that needs to be resolved.

Before we get to the issue of H.R. 10, as we all know, we have to pass this rule. This is a good rule which should have Democrats and Republicans supporting it. It makes in order as the underlying bill an amendment in the nature of a substitute which represents the extraordinary work of those people I have mentioned. I think that it helps us deal with these very, very competing interests that have been out there.

This amendment, the bill that we are going to be considering once we pass this bill is, as the gentleman from Iowa (Chairman LEACH) said when he stood up, the strongest pro consumer effort we could possibly have, the strongest privacy language that we could possibly have.

□ 1300

Now, there has been a lot of criticism leveled at my friend, the gentleman from Iowa (Mr. GANSKE). He and I were mentioned in my hometown newspaper today. The fact of the matter is, I encourage those critics on the medical privacy issue to read the bill, and I am just going to share a couple of lines.

It says: An insurance company shall maintain a practice of protecting the confidentiality of individually identifiable customer health and medical and genetic information, and may disclose such information only, only, with the consent or at the direction of the customer or as otherwise required, as specifically permitted, by Federal or State law; and compliance with Federal, State and local law, compliance with a properly authorized civil, criminal or regulatory investigation by Federal, State or local authorities is governed by the requirements of this section; or in broad protection risk control.

The fact of the matter is there are tremendous consumer protections in here to maintain the privacy.

Mr. Speaker, I am trying to complete my closing statement. I encourage my colleague to actually read the bill.

Now, let me make a couple of comments here about the rule.

If I can close my statement, because I am talking about this issue. We are trying to pass this rule. I have read the bill, and I encourage my friend to read exactly what I have read.

Let me say that as we look at efforts by my friend, the gentleman from Massachusetts, and by my colleague, the gentlewoman from California (Ms. LEE), these issues were put forward with one thing in mind, to try to delay this process even more than it already

has been delayed. The goal is, in fact, to put this off for weeks. They would very much like to do that.

So I think that we have, in fact, put together a very, very important measure that finally moves us beyond 1933 and depression-era legislation. I do not think it moves us far enough, but this is a small and first step.

We know there is bipartisan support for most of the provisions in this bill. We know that there is bipartisan support for these packages. I hope very much that my colleagues on the other side of the aisle will join in supporting what is a very, very important measure.

Mr. SANDLIN. Mr. Speaker, I rise today in opposition to this rule.

I support financial services modernization. Mr. Speaker, and voted for H.R. 10 during committee consideration of the bill in the House Banking Committee. In order to deliver financial services to consumers effectively in today's economy, and in order to compete with financial conglomerates from overseas, American financial institutions need a modernized legal and regulatory environment. American consumers deserve the opportunity to take advantage of technological advances that have made one-stop shopping for financial services possible.

However, the Republican leadership and the Rules Committee have denied this House the opportunity to vote on several significant amendments on both sides of the aisle. Amendments preventing "redlining" and discrimination by insurance companies, promoting community banks in rural areas and protecting consumers' medical privacy information, just to mention a few. If we want a good bill, one that we can be proud of, we must vote against this rule.

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

Mr. SESSIONS. 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. The question is on the resolution.

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

Mr. MOAKLEY. 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 227, nays 203, not voting 5, as follows:

[Roll No. 264]

YEAS—227

Aderholt	Bass	Bonilla
Archer	Bateman	Bono
Armey	Bereuter	Boucher
Bachus	Biggert	Brady (TX)
Baker	Bilbray	Bryant
Ballenger	Bilirakis	Burr
Barr	Bliley	Burton
Barrett (NE)	Blunt	Buyer
Bartlett	Boehlert	Callahan
Barton	Boehner	Calvert

Camp	Hoekstra	Quinn	Kind (WI)	Moore	Shows
Campbell	Horn	Radanovich	Kleczka	Moran (VA)	Sisisky
Canady	Hostettler	Ramstad	Klink	Murtha	Skelton
Cannon	Houghton	Regula	Kucinich	Nadler	Slaughter
Castle	Hulshof	Reynolds	LaFalce	Napolitano	Smith (WA)
Chabot	Hunter	Riley	Lampson	Neal	Snyder
Chambliss	Hutchinson	Rogan	Lantos	Oberstar	Stabenow
Chenoweth	Hyde	Rogers	Larson	Obey	Stark
Coble	Isakson	Rohrabacher	Lee	Olver	Stenholm
Coburn	Istook	Ros-Lehtinen	Levin	Ortiz	Strickland
Collins	Jenkins	Roukema	Lewis (GA)	Owens	Stupak
Combest	Johnson (CT)	Royce	Lofgren	Pallone	Tauscher
Cook	Johnson, Sam	Ryan (WI)	Lowey	Pascrall	Taylor (MS)
Cooksey	Jones (NC)	Ryun (KS)	Luther	Pastor	Thompson (CA)
Cox	Kasich	Salmon	Maloney (CT)	Payne	Thompson (MS)
Crane	Kelly	Sanford	Maloney (NY)	Pelosi	Thurman
Cubin	King (NY)	Saxton	Markey	Peterson (MN)	Tierney
Cunningham	Kingston	Scarborough	Martinez	Phelps	Towns
Davis (VA)	Knollenberg	Shaffer	Mascara	Pickett	McCarthy
Deal	Kolbe	Sensenbrenner	Matsui	Pomeroy	Traficant
DeLay	Kuykendall	Sessions	McCarthy (MO)	Price (NC)	Turner
DeMint	LaHood	Shadegg	McCarthy (NY)	Rahall	Udall (CO)
Diaz-Balart	Largent	Shaw	McDermott	Rangel	Udall (NM)
Dickey	Latham	Shays	McGovern	Reyes	Velazquez
Doolittle	LaTourette	Sherwood	McIntyre	Rivers	Vento
Dreier	Lazio	Shimkus	McKinney	Rodriguez	Visclosky
Duncan	Leach	Shuster	McNulty	Roemer	Waters
Dunn	Lewis (CA)	Simpson	Meehan	Rothman	Watt (NC)
Ehlers	Lewis (KY)	Skeen	Meek (FL)	Royal-Allard	Waxman
Ehrlich	Linder	Smith (MI)	Meeks (NY)	Rush	Weiner
Emerson	Lipinski	Smith (NJ)	Menendez	Sabo	Wexler
English	LoBiondo	Smith (TX)	Millender	Sanchez	Weygand
Everett	Lucas (KY)	Souder	McDonald	Sanders	Wise
Ewing	Lucas (OK)	Spence	Miller, George	Sandlin	Woolsey
Fletcher	Manzullo	Stearns	Minge	Sawyer	Wu
Foley	McCollum	Stump	Mink	Schakowsky	Wynn
Forbes	McCrary	Sununu	Moakley	Scott	
Fowler	McHugh	Sweeney	Mollohan	Sherman	
Franks (NJ)	McInnis	Talent			
Frelinghuysen	McIntosh	Tancredo			
Gallegly	McKeon	Tanner	Brown (CA)	Graham	Serrano
Ganske	Metcalf	Tauzin	Fossella	Green (TX)	
Gekas	Mica	Taylor (NC)			
Gibbons	Miller (FL)	Terry			
Gilchrest	Miller, Gary	Thomas			
Gillmor	Moran (KS)	Thornberry			
Gilman	Morella	Thune			
Goode	Myrick	Tiahrt			
Goodlatte	Nethercutt	Toomey			
Goodling	Ney	Upton			
Gordon	Northup	Vitter			
Goss	Norwood	Walden			
Granger	Nussle	Walsh			
Green (WI)	Ose	Wamp			
Greenwood	Oxley	Watkins			
Gutknecht	Packard	Watts (OK)			
Hansen	Paul	Weldon (FL)			
Hastert	Pease	Weldon (PA)			
Hastings (WA)	Peterson (PA)	Weller			
Hayes	Petri	Whitfield			
Hayworth	Pickering	Wicker			
Heffley	Pitts	Wilson			
Herger	Pombo	Wolf			
Hill (MT)	Porter	Young (AK)			
Hildeary	Portman	Young (FL)			
Hobson	Pryce (OH)				

NAYS—203

Abercrombie	Clyburn	Frank (MA)
Ackerman	Condit	Frost
Allen	Conyers	Gejdenson
Andrews	Costello	Gephardt
Baird	Coyne	Gonzalez
Baldacci	Cramer	Gutierrez
Baldwin	Crowley	Hall (OH)
Barcia	Cummings	Hall (TX)
Barrett (WI)	Danner	Hastings (FL)
Becerra	Davis (FL)	Hill (IN)
Bentsen	Davis (IL)	Hilliard
Berkley	Defazio	Hinchey
Berman	DeGette	Hinojosa
Berry	Delahunt	Hoefel
Bishop	DeLauro	Holden
Blagojevich	Deutsch	Holt
Blumenauer	Dicks	Hooley
Bonior	Dixon	Hoyer
Borski	Doggett	Inslee
Boswell	Dix	Jackson (IL)
Boyd	Dooley	Jackson-Lee
	Doyle	(TX)
	Edwards	Jefferson
	Engel	John
	Eshoo	Johnson, E. B.
	Etheridge	Jones (OH)
	Cardin	Kanjorski
	Carson	Farr
	Clay	Fattah
	Clayton	Filner
	Clement	Ford

NOT VOTING—5

Brown (CA)	Graham	Serrano
Fossella	Green (TX)	

□ 1323

Mr. SKEEN 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.

CONFERENCE REPORT ON H.R. 775, YEAR 2000 READINESS AND RESPONSIBILITY ACT

Mr. GOODLATTE. Mr. Speaker, pursuant to House Resolution 235, I call up the conference report on the bill (H.R. 775) to establish certain procedures for civil actions brought for damages relating to the failure of any device or system to process or otherwise deal with the transition from the year 1999 to the year 2000, and for other purposes.

The Clerk read the title of the bill.

The SPEAKER pro tempore (Mr. LAHOOD). Pursuant to House Resolution 234, the conference report is considered as having been read.

(For conference report and statement, see proceedings of the House of June 29, 1999 at page H5066.)

Mr. LAHOOD. The gentleman from Virginia (Mr. GOODLATTE) and the gentleman from Michigan (Mr. CONYERS) each will control 30 minutes.

The Chair recognizes the gentleman from Virginia (Mr. GOODLATTE).

GENERAL LEAVE

Mr. GOODLATTE. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks and to include extraneous material on the legislation under consideration.