

and angry that their forced dues are being used to finance political campaigns they do not support.

It is sad that Washington's labor bosses care more about their own power than they do about the truth or the views of their members. They benefited enormously from the growing Federal Government under the old majority. And they are not about to sit idly by as the power that was once theirs is returned to its rightful owners, the people.

If we allow fear to triumph, we can just wave goodbye to a balanced budget, middle-class tax relief, and welfare reform, and say hello to higher taxes and more debt on the backs of our children.

It is up to the American people. Will it be snake oil and fear, or truth and courage?

RECOGNITION OF SAN LUIS OBISPO COUNTY PACIFIC GAS & ELECTRIC

HON. ANDREA H. SEASTRAND

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 1, 1996

Mrs. SEASTRAND. Mr. Speaker, San Luis Obispo County a few years ago launched a strategic plan to diversify its economic base. One of the key players was Pacific Gas Electric Co. which with local leaders and stakeholders forged a long-term community economic development plan.

For its role, PG&E was recognized with the Edison Electric Institute's Common Goals Special Distinction Award for customer satisfaction. Tapan Monroe, PG&E's chief economist and manager of Community Economic Vitality Initiatives, came to Washington to receive the award from EEI President Thomas R. Kuhn in a Capitol Hill ceremony.

PG&E and other San Luis Obispo County businesses and interests staged an unprecedented regional conference that drew more than 400 attendees. One result was the establishment of the San Luis Obispo County Economic Vitality Corporation, a nonprofit unit tasked with creating jobs and increasing investment in the county.

Dennis Hennessy, PG&E division manager, and his staff were involved in organizing the nonprofit corporation. PG&E continues to provide staff and consultant resources. PG&E employee Missie Hobson serves on the board and chairs the Community Preparedness Committee.

I commend all the partners and their good work in the San Luis Obispo County. Congratulations to PG&E on winning the EEI Common Goals Award.

IN RECOGNITION OF KIRBY WILSON, GOLD MEDALIST IN COURAGE

HON. WILLIAM O. LIPINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 1, 1996

Mr. LIPINSKI. Mr. Speaker, over the last few weeks in Atlanta, we have adorned many Americans with Olympic medals as a testament to their dedication and courage. Today,

I rise to pay tribute to another true champion of courage, Kirby Wilson.

This special girl resides in Western Springs, IL, which is located in my congressional district. Kirby recently celebrated her 5th birthday with friends and family, where she received many gifts, such as a doll, bubbles, and kites. It would appear that Kirby enjoys a normal, healthy life, but unfortunately, she possesses a rare genetic disease. The illness, called Sanfilippo Syndrome, causes children to miss an essential enzyme that breaks down a complex body sugar. Consequently, the sugar slowly builds in the brain and stops normal development. Kirby's health will deteriorate as the disease produces hyperactivity, sleep disorders, loss of speech, mental retardation, dementia, and finally, death before she reaches age 15.

Unfortunately, there exists no cure for Sanfilippo Syndrome. Moreover, it is difficult to gather researchers and raise money for Sanfilippo Syndrome because it occurs in just 1 of every 24,000 births. Many lawmakers support funding more well-known diseases such as breast cancer and AIDS. These lawmakers feel that it is imperative to distribute funds that affect the most people. However, this should not diminish the severity of Kirby's heartbreaking situation. Thus, I have written a letter to Dr. Harold Varmus, Director of the National Institutes of Health, in support of funding research specifically for Sanfilippo Syndrome.

Meanwhile, Kirby's parents, Brad and Sue Wilson, have taken the initiative to form The Children's Medical Research Foundation. Kirby's parents have implemented hard work and sacrifice for the organization to engage in an active fundraising campaign. Brad and Sue Wilson planned the "Sweetheart Dinner Dance," "Kirby by Candlelight," and "The Fore Kirby Golf Fun Raiser." With the help of Kirby's friends, school, church, and family, these events have raised more than \$140,000 for the Children's Medical Research Foundation. This is a testament to the good that can result from people working together for a common cause.

Due to the success of its fundraising, the Foundation has awarded a \$40,000 research grant to Dr. Margaret Jones at Michigan State University. Currently, the Foundation is planning to issue a \$100,000 research grant to Dr. Chet Whitley at University of Minnesota. Dr. Whitley will collaborate with Dr. Elizabeth Neufeld, a UCLA researcher that recently won the National Medal of Science for her exemplary research on the Sanfilippo Syndrome. The work accomplished through his research will benefit not only Kirby Wilson, but future children that will be diagnosed with the disease.

Mr. Speaker, if courage was an Olympic sport, Kirby and her parents would earn a gold medal. I only hope that one day, researchers will develop a cure to save Kirby and others afflicted with Sanfilippo Syndrome.

THE ISSUES OF THE TONGASS NATIONAL FOREST

HON. DON YOUNG

OF ALASKA

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 1, 1996

Mr. YOUNG of Alaska. Mr. Speaker, the issues of the Tongass National Forest have

been before the Congress for some time. Many of us were here in 1990 for the Tongass Timber Reform Act, which set aside 1 million acres of wilderness and unilaterally modified the two long-term timber contracts. Some of us remember the Alaska Lands Act of 1980, which set aside about 5 million acres of Tongass wilderness. But no current member was here for the first act of Congress specific to the Tongass—the Tongass Timber Act of 1947, which authorized the sale of timber from the Tongass for the purpose of local employment. At a time when debate over the Tongass becomes every day more contentious and confused it may be worthwhile to look back to that act. This history is relevant because the problems the 1947 act worked to solve are being recreated today by a handful of extremists.

The 1947 act was the culmination of a quarter-century-long effort to develop a stable, year-round industry in southeast Alaska. Before Congress authorized the sale of timber, thereby inducing the pulp companies to invest in Alaska, there was not much of an economy in southeast. Fishing was poor, tourism was nonexistent and the gold mines had been closed during the war. The population was small and transient—it was a hard place to raise a family. Congress decided, and President Truman agreed, that the sale of timber through long-term contracts would improve the situation, stabilize the economy of southeast Alaska and serve the interests of Alaska and the United States.

The contracts were in the interest of Alaska because they fostered a prosperous and stable economy. They were in the interest of the United States because Tongass forest products helped supply the post-war housing boom in the United States and were instrumental in the reconstruction of Japan. The contracts were necessary for defense purposes as well—Alaska had proven vulnerable in World War II and needed a stable population to secure the territory. All of these benefits were recognized in the House report that accompanied the 1947 Tongass Timber Act:

A large-scale development of the timber resources in southeastern Alaska, involving the establishment of important business enterprises and the employment of many persons for extensive operations on a year-round basis, is essential to the maintenance of a prosperous and stable economy in the Territory. Heretofore, Alaska has been handicapped by the seasonal nature of the principal industrial activities conducted within the area. A timber program of the sort mentioned by the Secretary of the Interior would be of great benefit in assisting the people of Alaska to progress from the present dependence upon seasonal business operations. Moreover, such a development within the Territory would be of great value to the Nation as a whole, both from the standpoint of making available to the National economy valuable and sorely needed products from the great forests in southeastern Alaska and from the standpoint of promoting national defense through increasing the population and industrial capacity of Alaska as our "Northern Rampart." House Committee on Agriculture, Report No. 873, July 10, 1947.

The Tongass timber industry was essential to those ends in 1947 and it remains so today. We still need a year-round economy in southeast Alaska. We still need a domestic supply of forest products to meet national and international demand. We still need a stable population base in Alaska for our national security.

What is more, the only viable domestic timber supply comes from the Federal Tongass forest. Please keep this history in mind the next time the Tongass issue comes before Congress.

CONGRESS' COMMITMENT TO VETERANS

HON. J.D. HAYWORTH

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 1, 1996

Mr. HAYWORTH. Mr. Speaker, on July 30, 1996, the House of Representatives passed two bills that are critically important to our Nation's veterans: H.R. 3586, the Veterans Employment Opportunity Act, and H.R. 3118, the Veterans' Health Care Eligibility Reform Act of 1996. These bills reaffirm Congress' commitment to veterans who came to the defense of our Nation in times of need.

H.R. 3586 responds to growing concerns that the viability of veterans' preference in the Federal work force is being threatened. When veterans leave the military to become civil servants, they should not be forced to start their careers over again. Rather, their military experience should carry over into their Government service. Unfortunately, Mr. Speaker, this is not always the case. That is why it is important for Congress to pass this legislation, and forward it to the President for his signature.

This bill rightly removes impediments veterans face during hiring, and strengthens their rights during agency downsizing. In addition, H.R. 3586 establishes, for the first time, a system for redress for veterans who believe their rights have been violated in the workplace. This legislation recognizes that veterans should have the same rights and privileges the rest of the work force enjoys. When veterans enter the workplace after serving their country, they will be no longer relegated to the status of second-class citizens. Rather, they will be rewarded with jobs that take into account their previous military experience.

While veterans need and deserve jobs, they also need adequate and expanded health care. For this reason, the House passed H.R. 3118, which will update and simplify rules governing VA medical care and substantially expand veterans' eligibility to receive treatment on an outpatient basis. As the VA moves from expensive inpatient care to more cost-effective primary and outpatient care, it is important that Congress recognizes the potential of serving more veterans at a lower cost in outpatient centers. H.R. 3118 moves toward this goal by helping the VA shift its focus to outpatient centers so that more veterans will be able to access these facilities.

Another key element of H.R. 3118 is expanded veterans' access to VA health care by eliminating statutory rules which for years have prohibited the VA from providing many veterans with routine outpatient treatment and preventive care. If this legislation becomes law, access will be expanded for veterans with service-incurred disabilities or low incomes by allowing them to receive their care at outpatient facilities, which has been prohibited by outdated rules. By shifting our focus to outpatient facilities, our Nation's veterans will be better served because these centers can pro-

vide care in less populated areas in a more cost-effective manner.

Mr. Speaker, let me conclude by saying this: Every one of our Nation's veterans is a hero. Without them, our country might not be able to enjoy the freedom and prosperity that we, as Americans, cherish today. Veterans have kept their promises to the Government. We must honor our commitment to them by providing veterans with the necessary tools for survival. These include work and health care. H.R. 3586 and H.R. 3118 provide veterans with more work opportunity and expanded health care, and these bills personify this Congress' deep commitment to the veterans who valiantly fought for our great country. I commend my colleagues for supporting this legislation, and will continue to work with them to pass important legislation that benefits veterans.

PERSONAL EXPLANATION

HON. WILLIAM M. THOMAS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 1, 1996

Mr. THOMAS. Mr. Speaker, On Wednesday, July 31, 1996, I missed vote No. 384, the Studds substitute to the International Dolphin Conservation Program Act. Had I been present I would have voted "no". I was detained as I was taking part in the public announcement with all of my colleagues who negotiated the final agreement on the health care reform bill.

FED MOVES TO KEEP U.S. BANKS COMPETITIVE

HON. JOHN J. LaFALCE

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 1, 1996

Mr. LaFALCE. Mr. Speaker, I would like to commend the Federal Reserve Board for its proposal yesterday facilitating the ability of bank holding companies to compete with securities firms in underwriting debt and equity securities for their corporate customers.

In 1987, the Federal Reserve Board authorized the securities subsidiaries of bank holding companies—commonly referred to as section 20 subsidiaries—to underwrite and deal in corporate debt and equity securities to a limited degree. After 9 years of experience supervising the underwriting activities of section 20 subsidiaries, the Federal Reserve now believes it appropriate to make some modifications in the restrictions that currently apply to the underwriting activities of these section 20 securities subsidiaries. This is an appropriate and timely action by the Federal Reserve.

In 1987, when it first authorized section 20 subsidiaries, the Board established as revenue test to ensure compliance with section 20 of the Glass-Steagall Act, which prohibits a bank from affiliating with a firm "engaged principally" in securities underwriting and dealing. This revenue test limited the amount of revenue that section 20 subsidiaries could derive from underwriting and dealing in the types of securities that banks themselves were not allowed by the 1933 Glass-Steagall Act to underwrite—specifically, corporate debt and equity securities.

In order to gain experience with supervising the underwriting activities of section 20 subsidiaries, the Board initially limited the revenue derived from debt and equity securities to 5 percent of total revenue of the subsidiary. Then in 1989, the Board raised the limit to 10 percent.

Many observers of the financial services market have long believed that the 10 percent revenue limitation imposed by the Federal Reserve in 1989 was a very conservative interpretation of the "engaged principally" test in section 20 of the Glass-Steagall Act. And even if this limitation was justified in 1989, the Board has now benefited from many years of experience supervising the securities activities of section 20 subsidiaries and is confident that these subsidiaries have operated in a safe and sound manner.

Based on its substantial experience, the Board has now concluded that the current 10 percent revenue limitation is unduly restrictive of the underwriting and dealing activities of section 20 subsidiaries. Therefore, the Board is proposing to increase the revenue limit from 10 percent of total revenues to 25 percent.

This decision by the Federal Reserve to use its clear authority under existing law is absolutely essential. In the absence of congressional action, it is the only way to keep our banking system competitive. Despite lengthy debate, this Congress will not be able to pass a broader financial modernization bill repealing the relevant sections of the Glass-Steagall Act, in order to allow full affiliation between banks and securities firms, with appropriate prudential safeguards. Given this reality, it is essential that the Federal Reserve exercise its authority to interpret existing law in a manner that is responsive to developments in the financial marketplace.

It should be emphasized that the House Banking Committee did take appropriate action last year with respect to repealing and modifying various sections of the Glass-Steagall Act. Regrettably, the broader financial modernization legislation ultimately became entangled in disagreements among affected parties. It would certainly be preferable for Congress to be able to pass truly comprehensive financial modernization legislation, providing a level playing field for all participants. However, the reality is that such an outcome is not possible this year.

It should be acknowledged that for many years the financial market has been evolving in a way that clouds the distinction between banking and securities activities. This is particularly true with respect to the activities of financial institutions—both banks and securities firms—that conduct a wholesale business directed at meeting the financing needs of corporate clients. These corporations are looking for a financial institution able to serve all their financing needs—borrowing, issuing securities, arranging private placements, risk management, and so forth. Wholesale financial institutions need to be able to provide those financing services as efficiently as possible, without segmenting their business in ways that have little to do with safety and soundness.

Having been successful in winning substantial underwriting business from corporate customers, some of the section 20 subsidiaries affiliated with the largest money center banks—including those of J.P. Morgan & Co., Bankers Trust New York Corp., and Chase Manhattan Corp.—are very close to their revenue limit. Without an increase in the revenue