

and personal clearance. It also investigates security incidents involving the loss of nuclear materials and the unauthorized disclosure of classified information.

Colonel McCallum served as director of the office for 9 years under former Energy Secretary Hazel O'Leary and then under current Secretary Bill Richardson. I first heard Colonel McCallum reveal his side of the nuclear spy scandal on the O'Reilly Factor on the Fox News Channel. Colonel McCallum was telling of how he and members of his staff made continued efforts, Mr. Speaker, to approach both O'Leary and Richardson to alert them to the lax security at our weapons labs and the need to take measures to prevent possible theft.

Mr. Speaker, Colonel McCallum reported that time after time he hit roadblocks in trying to bring this issue to the attention of both Secretaries. Neither O'Leary or Richardson took interest in his findings, and neither worked to tighten security. It is little surprise then to find out that security secrets were easily targeted by the Communist Chinese.

To prevent similar situations in the future my colleague, the gentleman from Pennsylvania (Mr. WELDON), and myself had called for a hearing to have Colonel McCallum and members of his staff brief the House Committee on Armed Services on the instances in which U.S. security was compromised. I am confident the information the colonel and his staff can provide will be critical in assisting Congress in its efforts to eliminate leakage of sensitive military secrets in the future.

Mr. Speaker, despite what the administration is willing to bet, the American people care about the loss of nuclear technology. In fact, after I had the opportunity to appear on the O'Reilly Factor to state my commitment to pursue this issue I have received a number of supportive letters from men and women across the country. One soldier in the Army wrote, and I quote:

I cannot figure out why there is so much apathy among the American people regarding this very serious threat to the security of our country.

I further quote:

There are a lot of people like myself who recognize the gravity of this situation and wish to see those responsible held fully accountable for their actions. I do not care how well the economy is doing. It won't mean a thing if China or one of its allies decides to launch a missile strike against this country.

That is from a member that served in the United States Army.

Mr. Speaker, a couple wrote another letter I want to share with you. It reads, and I quote:

This is a tragic road America is heading down. We are both grateful to you and others who are working with you to bring light, order, and some justice to what we see as a complete incompetence, lack of integrity, and dishonesty shown by this administration.

Mr. Speaker, I have a stack of letters just like these I have read to you to-

night. The message is clear. The American people want you and I to stand up to this administration.

We are a Congress. As a Congress, we must demand that those responsible are held accountable for compromising our national security, and we must work to prevent future leaks.

Mr. Speaker, I have offered my commitment and urge my colleagues and this Congress to join me in working to protect the security of every American citizen because America is special, and we must do everything we can to protect our national security of this Nation.

#### THE TRUTH ABOUT THE REPUBLICAN TAX PLAN

The SPEAKER pro tempore (Mr. SIMPSON). Under a previous order of the House, the gentlewoman from Texas (Ms. JACKSON-LEE) is recognized for 5 minutes.

Ms. JACKSON-LEE of Texas. Mr. Speaker, I rise to join my colleagues to urge this House to engage in a serious and honest debate on modest tax relief for the American people. Unfortunately, the Republican Tax Plan is nothing more than a thinly-veiled fundraising gimmick.

The Republican Tax Plan reminds me of the Shakespearean play, Hamlet. Hamlet's step-father Claudius secretly kills Hamlet's father. Claudius later marries Hamlet's mother. Claudius attempts to get away with murder and don the ill-fitting cloak of kindness to young Hamlet. The Republican Tax Plan attempts to kill the spirit of the American people who cry out for sensible tax relief. But just as the Ghost the slain King sought to be heard, so does the spirit of the American people. We Democrats seek to honor this spirit.

The Republicans know that their risky tax plan has virtually no chance of passing. The President will certainly veto the Republican's \$800 billion risky tax scheme. If the Republican leadership has enough votes to override a veto why have they stalled for 35 days and counting to send their risky tax scheme to the President's desk?

The Republican leadership put on a road show this summer to sell their 1980's-style voodoo economics to the American people. But the American people realized that as we say in Texas, "That dog don't hunt." The GOP's risky tax plan would spend virtually all of the projected non-Social Security surpluses, would cause \$31.8 billion in cuts to Medicare within 5 years, and would cut \$56 billion out of crop insurance, education programs, child support enforcement programs, veterans education and readjustment.

Even Majority Leader DICK ARMEY admitted that the Republican tax plan is not an issue that resonates with voters. After a dismal showing with the American voters, Mr. ARMEY had this to say about the Republican's tax plan on CNN Inside Politics, August 18, 1999, "It is not an issue of the heart with the American people today. They want a tax cut, but they don't feel a need for one."

This is exactly right. The American people want some form of tax relief, but not an extreme risky scheme as proposed by the Republican leadership. Instead of saving the American people money, the Republican plan squanders the surplus on a fiscally irrespon-

sible \$3 trillion tax cut that would risk America's economic growth and explode the deficit.

The Democrats are prepared to work with the Republicans on a sensible alternative, but the Republican leadership refuses to put the best interest of the American people first. Why, you may ask? Chief GOP fundraiser, Representative TOM DAVIS responded thusly to the prospect of moderating the Republican's risky tax scheme in order to come closer to the Democrats plan for targeted tax relief as opposed to massive cuts:

"We (Republicans) think cutting a deal is not worth it. The issue has been a big money-raiser for us." (Washington Times, 9/6/99)

Instead, of partisan politics, the Republicans should work with the Democrats in a bipartisan way. We need to pursue a sound fiscal policy by using the surplus to pay down the national debt. We also need to continue on the path of debt reduction that will keep our interest rates low, sustain the current economic expansion, and allow the private sector to create good, high paying jobs.

Where the Republican leadership seems content to pander to their wealthy, special interest contributors, the Democrats seek to target our tax cuts to middle-class families. We need to help America's families to save some of their earnings for retirement and for their children's future and to make it easier for them to address the long-term care needs of their elderly parents. We urge our Republican colleagues to reject their leadership's risky tax scheme and opt for more pragmatic legislative tax relief.

Next week, the House will finally be permitted to debate the Shays-Meehan Bipartisan Campaign Finance Bill. The GOP will attempt to kill this bill through poison-pill amendments, but the Democrats will continue the fight for meaningful reform.

Rather than enacting irresponsible tax cuts that have no chance of being enacted into law, the Republicans should join the Democrats in enacting legislation that matters—legislation that will strengthen Medicare and provide prescription drug coverage, establish a comprehensive Patients Bill of Rights, help to keep our schools safe by enacting sensible gun-safety measures, and improve our education system through school construction and the reduction of class size.

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Georgia (Mr. KINGSTON) is recognized for 5 minutes.

(Mr. KINGSTON addressed the House. His remarks will appear hereafter in the Extensions of Remarks.)

#### THE POLITICAL FUTURES OF INDONESIA AND EAST TIMOR

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Nebraska (Mr. BEREUTER) is recognized for 5 minutes.

Mr. BEREUTER. Mr. Speaker, this Member rises tonight to comment on the crisis in East Timor and its broader implications for the political future of Indonesia. This issue was a topic of a hearing of the Committee on International Relations' Subcommittee on Asia and the Pacific which this Member chairs today. It was held jointly

with the subcommittee's Senate counterpart committee, and Indonesia and East Timor will undoubtedly be a major topic at the APEC summit President Clinton will be attending this weekend.

In the wake of the historic vote in East Timor, both Indonesia and East Timor face a future filled with portent. For Indonesia, the referendum comes at a time of very sensitive political maneuvering and a fragile economic recovery.

When the subcommittee last held hearings on Indonesia on May 12, we were anxiously awaiting the June 7 national election results. Despite some violence, a very slow vote count and a limited amount of election irregularities that election was nonetheless judged by the international community to be a success. It buoyed optimism about Indonesia's ability to overcome its profound political and economic crises. However, that June election also created new complexities. No one party achieved a majority, and, in fact, the opposition, PDIP led by Megawati Sukarnoputri won a plurality of the vote. Therefore, for the first time in modern Indonesian history political coalitions will be needed to form in order to elect a new president, form a new government, carry out further economic and political reforms, address the subject of rescinding the 1976 law which integrated East Timor into Indonesia as its 27th province and address separatist sentiments in other parts of Indonesia like the province of Aceh in northern Sumatra. Indeed this is a new experience for these relatively immature political forces in a democratic Indonesia. How they carry out these responsibilities will determine the legitimacy of the new Indonesian government as viewed by the eyes of the Indonesian public and by the international community.

Of course, the most obvious and immediate task is the crisis in East Timor. After years of Indonesian intransigence, President Habibie took bold steps towards resolving this long-standing problem. In January, he seemingly brushed aside the reservations of the military and others in the Indonesian society and surprised the world by offering the people of East Timor an opportunity to determine their own future through the ballot box. Many of us were encouraged by this bold and positive development. There was perhaps a general sense of guarded optimism prompted by the assurances of President Habibie and Armed Forces Chief General Wiranto that Jakarta would maintain order and create an environment conducive for a fair and safe election, but that proved not to be a realistic assessment. Despite increasing violence and intimidation by Indonesian militarily supported militia in the recent Timorese elections, a record 98.6 percent of registered voters turned out to vote with 78 percent of them choosing independence.

The will of the East Timorese people is clear and overwhelming. It is evident

by the truly horrific events in East Timor over the past week that the Indonesian government and particularly the Indonesian military has been deliberately unwilling or perhaps in some cases unable to uphold their responsibilities to provide peace and security.

It must be emphasized that this is Indonesia's responsibility. Indonesia demanded this responsibility from the United Nations, and the international community entrusted it to Indonesia. It is reported the United Nations Secretary General Kofi Annan has made very strong representations to the Indonesian government about their obligations and the negative consequences Jakarta could face from the international community for jeopardizing the integrity and the subsequent implementation of the expressed citizens' desires of this U.N.-sponsored election. The United Nations General Assembly should do the same.

Mr. Speaker, I will report more on these events after the weekend and after we complete work on a resolution that we intend to offer on a bipartisan basis early next week.

#### AMERICAN PEOPLE ARE RENTING THEIR CURRENCY

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Washington (Mr. METCALF) is recognized for 5 minutes.

Mr. METCALF. Mr. Speaker, I would like to talk briefly about money. Everybody is interested in money. My wife asked me: If you know so much about money, how come we do not have very much? But I would like to talk about money this evening.

Did you know that we pay rent on our money; the cash we use, we pay rent on it? It costs the American people \$100 per person per year to rent our cash; that is, the paper money, from the Federal Reserve.

Now, the Federal Reserve gets the money, it just does not spend that money or keep it. They return it to the Federal Treasury. That means that the American people are paying a tax on our money in circulation for the privilege of using Federal Reserve notes. In reality, this money is paid to the Fed by the Treasury to pay the interest on the U.S. bonds that back our money.

This is a foolish system when the U.S. Treasury could issue our currency directly without debt and without interest as they issue our coins. Most people do not know that our coins are minted by the Treasury, essentially spent into circulation, and the U.S. Treasury makes a neat profit on them. But when we issue cash, we go further into debt. When the U.S. Government issues paper cash, they go further into debt because bonds are created to back the cash, and thus the debt increases.

With a currency we go into debt, but it makes a profit when coins are placed in circulation. This is truly a system that defies logic, and we should issue our coins or issue our cash as we issue our coins.

Here is a simple way to accomplish that; this is not complex, this is not rocket science. Congress only needs to pass legislation requiring the Treasury to print and issue U.S. Treasury currency in the same amount, in the same denominations, of the present Federal Reserve notes. No change in the money supply. The Treasury would issue these U.S. notes through the banks and at the same time withdrawing a like amount of Federal Reserve notes.

As these Federal Reserve notes are collected by the U.S. Treasury, they must be returned to the Federal Reserve and essentially to redeem the over \$400 billion of U.S. interest bearing U.S. Treasury bonds now held by the Fed. So the Fed holds the bonds. We can take the U.S. currency and exchange it for those bonds. Over a couple of years we will have U.S. currency circulating instead of Federal Reserve notes, and the U.S. debt would be reduced by over \$400 billion.

That sounds too simple. Well, it is simple. This is not rocket science. There is no appreciable down side, and I expect to discuss this issue a lot in the future just because somebody needs to take a look at how our money was issued and allow us to avoid paying that \$27 billion a year interest just to rent our currency from the Federal Reserve.

#### HMO REFORM UPPERMOST ON MINDS OF AMERICANS

The SPEAKER pro tempore. Under the Speaker's announced policy of January 6, 1999, the gentleman from New Jersey (Mr. PALLONE) is recognized for 60 minutes as the designee of the minority leader.

Mr. PALLONE. Mr. Speaker, the issue of HMO reform has become one of the most important issues on the minds of Americans today, and I can certainly tell you that from the forums and the people that I met and talked to during the August break that we recently held with the House of Representatives. I had a number of forums in my district that were specifically about HMO reform where we talked about the Patients' Bill of Rights and what some of us are trying to do in the House of Representatives to reform HMOs and to end some of the abuses. And I found overwhelmingly that at my general forums or my forums that were specific to HMO reform that people felt that the need to address the abuses of HMOs and managed care was the number one issue on the minds of my constituents. And we know that polling around the country amongst Democrats, Republicans, and Independents shows that that is certainly the case as well.

There have been also I should mention a number of front page articles in the leading newspapers, the New York Times, the Washington Post on the fevered pitch, if you will, that the debate over managed care reform has assumed on Capitol Hill, and it is also assumed