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House of Representatives

The House met at 12:30 p.m. and was called to order by the Speaker pro tempore (Mr. GIBBONS).

DESIGNATION OF SPEAKER PRO TEMPORE

The SPEAKER pro tempore laid before the House the following communication from the Speaker:

WASHINGTON, DC,
September 13, 1999.

I hereby appoint the Honorable JIM GIBBONS to act as Speaker pro tempore on this day.

J. DENNIS HASTERT,
Speaker of the House of Representatives.

MESSAGE FROM THE SENATE

A message from the Senate by Ms. McDevitt, one of its clerks, announced that the Senate had passed with an amendment in which the concurrence of the House is requested, a bill of the House of the following title:

H.R. 1906. An Act making appropriations for Agriculture, Rural Development, Food and Drug Administration, and Related Agencies for the fiscal year ending September 30, 2000, and for other purposes.

The message also announced that the Senate insists upon its amendment to the bill (H.R. 1906) "An Act making appropriations for Agriculture, Rural Development, Food and Drug Administration, and Related Agencies for the fiscal year ending September 30, 2000, and for other purposes," requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. COCHRAN, Mr. SPECTER, Mr. BOND, Mr. GORTON, Mr. MCCONNELL, Mr. BURNS, Mr. STEVENS, Mr. KOHL, Mr. HARKIN, Mr. DORGAN, Mrs. FEINSTEIN, Mr. DURBIN, and Mr. BYRD, to be the conferees on the part of the Senate.

The message also announced that the Senate has passed a bill of the following title in which concurrence of the House is requested.

S. 28. An Act to authorize an interpretive center and related visitor facilities within the Four Corners Monument Tribal Park, and for other purposes.

MORNING HOUR DEBATES

The SPEAKER pro tempore. Pursuant to the order of the House of January 19, 1999, the Chair will now recognize Members from lists submitted by the majority and minority leaders for morning hour debates. The Chair will alternate recognition between the parties, with each party limited to 30 minutes, and each Member, except the majority leader, the minority leader, or the minority whip, limited to 5 minutes.

The Chair recognizes the gentleman from Washington (Mr. METCALF) for 5 minutes.

MONEY

Mr. METCALF. Mr. Speaker, my topic today is money. About the only thing most of us know about money is that we need more of it. But there is really a lot more that we need to know about our money system.

For example, most people do not know that we pay rent on our money; yes, interest or rent on the cash we use. It costs every American about \$100 every year indirectly to rent our cash, that is, our paper money, from its owners, the Federal Reserve.

Of course, the Fed does not just spend that money. It is returned to the Federal Treasury. Thus, in reality, if it goes to the Treasury, it is a tax or rent we Americans pay to the Fed for the privilege of using the Fed's money, an indirect tax on our money in circulation.

We all know that we are taxed on nearly everything, but not many people know that we pay a tax on our money. This tax, about \$25 billion, or \$100 per person, is paid to the Fed each

year by the U.S. Treasury to pay interest on U.S. bonds that are held by the Fed to back our money. What a foolish and costly system, to rent Federal Reserve notes for \$25 billion a year, when the U.S. Treasury could issue our own currency, our own United States notes, without debt or bonds or any interest at all, just as we issue our coins.

Our coins are minted by the United States Treasury and essentially spent into circulation. The Treasury makes a neat profit on them of over 80 percent of the face value of the coins issued. That is a lot of profit. A grave question is, why do we not issue our paper money the same way we issue coins, and gain an immense profit or seigniorage for our Treasury, and, of course, for the American people?

It has been said that the U.S. Government goes further into debt whenever it issues currency, but makes a profit when coins are placed into circulation. This is truly a system that defies logic. Again, why do we not issue our own paper money, just as we issue our coins? There is no legitimate reason why we do not.

I am pleased to present a simple and realistic way to accomplish this. Congress needs only to pass legislation requiring the U.S. Treasury to print and issue U.S. Treasury currency in the same amount and the same denominations as the Federal Reserve notes.

The Treasury would issue these new U.S. notes through the banks, while withdrawing a like amount of Federal Reserve notes. Thus, there would be no change in the money supply. As these Federal Reserve notes are collected by the U.S. Treasury, they must be returned to the Fed to buy back or redeem the face value, the same face value in U.S. interest-bearing bonds now held by the Fed, a total of about \$500 billion. So over a couple of years, we would have real U.S. currency circulating, and the U.S. debt would be reduced by substantially more than \$400

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

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



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billion. It sounds too simple, does it not? There must be a down side. Well, it is that simple, and there is no down side.

In fact, there is a substantial up side. The U.S. debt would be reduced by over \$400 billion, and U.S. interest on the debt reduced each year by about \$25 billion. Ask the chairman of the Committee on the Budget if it could help to reduce U.S. Treasury expenditures by \$25 billion each year. I intend to introduce legislation to carry out this concept.

EAST TIMOR

The SPEAKER pro tempore. Under the Speaker's announced policy of January 19, 1999, the gentleman from Oregon (Mr. BLUMENAUER) is recognized during morning hour debates for 5 minutes.

Mr. BLUMENAUER. Mr. Speaker, earlier this year I had an opportunity to travel with a congressional delegation chaired by the gentleman from Nebraska (Mr. BEREUTER) and the gentleman from Arizona (Mr. KOLBE) to the island Nation of Indonesia.

There we had an opportunity to meet with President Habibie, to meet in prison with Jose Alexandre Gusmao, who is likely to be the president of an independent East Timor, should that ever come to pass, as well as maybe of Indonesia's military leaders, people who appear to be sophisticated, many of whom are United States-educated.

Again and again we heard of Indonesia's commitment to democracy and its determined effort to undo the damage done by the Asian financial crisis and its need for our support. The scheduling of an election on independence for East Timor was perceived as a positive sign. But over the last 8 months we have been watching those events unfold in East Timor, hoping for the best, but with a growing sense of apprehension. Last month's election results and the carnage that followed realized our worst fears.

East Timor is in fact different from Indonesia's other areas of ethnic tension. Its history is different. It was ruled for hundreds of years by the Portuguese, not the Dutch. It is overwhelmingly Roman Catholic, not Muslim, like most of Indonesia.

The people of East Timor have done everything that the world community could have expected in seeking their independence. They have suffered 25 years of repression at the hands of Indonesian military and paramilitary groups. In August, over 98 percent of the 450,000 eligible voters braved grave personal peril to journey to the polls.

Only 2 weeks ago, those election results were described as a model vote, and the results, of course, were overwhelmingly clear. By a majority of more than three to one, East Timor voted for independence from Indonesia. But the reaction to this vote was chilling. Military groups have gone on a rampage. Innocent civilians, United

Nations personnel, priests, nuns, women, and children have been attacked and killed. Hundreds, perhaps thousands, of deaths have been added to the over 200,000 lives that have been lost on this troubled island over the last 25 years.

The situation in East Timor is indeed complex and delicate, because Indonesia is simultaneously trying to restore its own democracy after years of military dictatorship, repair a shattered economy, and retrain its military to respect civilian authority.

Whether it will be able to do those things is very much an open question. There is a great deal at stake in Indonesia's resolving these problems. It is indeed a huge country, the fourth most populous in the world. It has the largest Muslim population in the world. It is rich in natural resources. It was, until recently, aspiring to be an Asian and a world leader. Now it is just trying to hold itself together. Struggling with centrifugal forces of ethnicity are Nation's separatist movements that could splinter this vast Nation created and held together by force.

But the greatest threat to Indonesia's future is to allow the hardliners to overturn the referendum through violence and fear. Tolerating this would send exactly the wrong message to the Indonesians, their military, and people struggling to make democracy work.

The credibility of many is on the line. The United Nations did not create this crisis, but it must follow through if it is to have political and moral credibility. The neighboring Asian countries, through ASEAN, have a chance to be heard and a chance to play an important role in events of such direct interest to them, and perhaps putting a more Asian face on any peacekeeping effort.

The United States should continue to exert pressure and influence through every means possible to restore peace and bring democracy to East Timor. For 20 years, we have erred on the side of caution. We have been timid in seeking to protect East Timor. Perhaps that role is changing, as it should. I am greatly encouraged by the United States' role over the last 96 hours.

There are some that argue that we have to be selective in playing a role as the guarantor of freedom and the protector of those who seek democracy worldwide. There are limitations, it is argued, on the powers and realities in the many potential areas of involvement.

But the people of East Timor have already earned our support, paying a horrible price over the last 25 years. The world community needs to prove its capacity to keep its commitments to people aspiring to freedom. Indonesia must be strongly encouraged in new directions of tolerance and democracy, lest this vast island country dissolve, with enormous consequences to world stability, as well as to the 211 million Indonesians.

The United States has the opportunity and the responsibility to help

Indonesians and the world keep their commitments. We in Congress should use every opportunity in the days ahead to keep the spotlight trained on this troubled island.

RECESS

The SPEAKER pro tempore. Pursuant to clause 12 of rule I, the Chair declares the House in recess until 2 p.m.

Accordingly (at 12 o'clock and 42 minutes p.m.), the House stood in recess until 2 p.m.

□ 1400

AFTER RECESS

The recess having expired, the House was called to order by the Speaker pro tempore (Mr. FOLEY) at 2 p.m.

PRAYER

The Chaplain, Reverend James David Ford, D.D., offered the following prayer:

We know, O God, that You are the God of grace and forgiveness. At our best moments we realize that You wish to save us from any conceit or selfishness that keeps us from being truly human. Allow us to open our hearts and our very souls to Your life giving peace, that peace that passes all human understanding. May Your good spirit fulfill our lives that we will live with thanksgiving and praise and our lives will have confidence and assurance. Bless us, O God, this day and every day, we pray. Amen.

THE JOURNAL

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

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

PLEDGE OF ALLEGIANCE

The SPEAKER pro tempore. Will the gentleman from Pennsylvania (Mr. PITTS) come forward and lead the House in the Pledge of Allegiance.

Mr. PITTS led the Pledge of Allegiance as follows:

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

REPUBLICAN PLAN DOWNSIZES THE POWER OF GOVERNMENT AND UPSIZES THE POWER OF PEOPLE

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

Mr. GIBBONS. Mr. Speaker, over the August recess I held nearly 20 town hall meetings across the great State of