

began the debate on the Senate floor, he even had to undergo a massive demonstration at his house that was aimed not only at him, but at his wife. Which brings me to the subject I wanted to discuss—the Community Reinvestment Act.

Mr. President, I ask unanimous consent that the May 11, 1999, article in the Wall Street Journal by former Federal Reserve Governor Lawrence B. Lindsey be printed in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See Exhibit 1.)

Mr. ENZI. Mr. Lindsey points out quite correctly that the CRA provisions in S.900 are very modest. In spite of this, I continue to be amazed that the Administration and its supporters have demonized the bill because of the minor changes it makes to the Community Reinvestment Act, CRA. Yes, included in the bill are changes to the CRA. However, it does not dismantle, destroy or otherwise diminish the CRA. In fact, the amendments included in the bill should only strengthen the legitimacy of CRA.

You wouldn't suspect this, though, from the comments of the Administration. They claim that these provisions would utterly destroy the CRA. Since the Administration does not support the bill's structure that favors the Federal Reserve over the Treasury Department, they have instead garnered opposition to the bill over the CRA issue. They have gotten the community development industry to oppose a bill that the Administration opposes primarily because it does not expand the banking policy authority of the executive branch.

What I have become concerned about is a government policy that encourages a bank, as Lawrence Lindsay stated, "to simply pay for a problem to go away." S.900 attempts to correct the abuse of the CRA by declaring a bank in compliance with the law if it has earned a "satisfactory" rating for three consecutive years. It would require individuals or groups to present some form of evidence to the contrary in order to prevent a merger or acquisition. This will help eliminate extortion, which only amounts to lining the pockets of a few select individuals. It should help ensure that the CRA is preserved for helping the communities instead of funding the extortionists.

I urge all to read the whole Wall Street Journal editorial.

EXHIBIT 1

[From the Wall Street Journal, May 11, 1999]

CLINTON'S CYNICAL WAR ON BANKING REFORM (By Lawrence B. Lindsey)

Last week the Senate passed a bill overhauling the regulation of banks, including a provision sponsored by Sen. Phil Gramm (R., Texas), chairman of the Banking Committee, to reform the Community Reinvestment Act. Mr. Gramm's provision has stirred controversy, to say the least. Last month hundreds of "community activists" descended on his house, where they pounded on the win-

dows, trampled the landscaping and left the yard covered with garbage.

The 20-year-old CRA requires banks to serve their entire community. Regulators take banks' CRA compliance into account when deciding whether to approve applications for mergers or expanded services. In the recent wave of bank consolidation, banks have made billions of dollars of loan commitments and signed agreements with numerous community organizations in order to be seen as complying with CRA.

HEAVY-HANDED TACTICS

Sen. Gramm has complained that many of these payments amount to little more than extortion sanctioned by federal bank regulators, a claim bolstered by the protesters' behavior at the senator's house. While the great majority of CRA activity is legitimate, some banks and their executives have been subjected to similar personalized and heavy-handed tactics with a demand that they sign agreements that, in effect, fund the protesters. Other banks find their mergers held up by legalistic protests until they pay up.

I helped write the current CRA regulations when I was a governor of the Federal Reserve, and I part company with Mr. Gramm on the degree to which the CRA encourages extortion. In fact, those regulations, implemented in 1996, were designed to reduce the potential rewards for such behavior. Most bankers and community development professionals agree that the regulations have been successful in that regard. Yet I think Mr. Gramm is getting a bum rap.

Mr. Gramm's proposed reforms are quite modest. You wouldn't know it, though, from listening to the Clinton administration and its supporters. President Clinton himself attacked the Gramm proposal in a February meeting with the nation's mayors. Treasury Secretary Robert Rubin, the Rev. Jesse Jackson and Ralph Nader all joined the chorus. The attack strategy worked. Regulators with whom I spoke said they believed Mr. Gramm was out to destroy CRA, although when pressed, they admitted they didn't know the details of his proposal.

When I spoke to a group of community-development professionals, there was stunned silence when I described how mild Mr. Gramm's proposals actually are. First, he proposes that a bank that has earned "satisfactory" ratings from the regulators for three years running be presumed in compliance with the law, unless evidence is presented to the contrary.

Second, he proposes that small rural banks be exempt from CRA. The banks that would be excluded under this plan have a total of 2.8% of all U.S. bank assets; the banks with the remaining 97.2% would remain subject to CRA. When we wrote the current CRA regulations, we recognized the burden they placed on small banks and carved out a streamlined examination procedure for them. Mr. Gramm takes this principle only a little further.

Why, then, is the administration demonizing Mr. Gramm? As with similar disinformation campaigns in the past, the attack is meant to draw attention away from an issue on which the administration is vulnerable. What is really at stake here is a separate provision of the banking-reform bill, concerning the question of which agency should regulate most banks—the Fed, which is independent of the administration, or the comptroller of the currency, who reports to the Treasury secretary. Mr. Gramm's bill, which passed on a near-party-line vote, favors the Fed.

Such a bureaucratic turf struggle is not the stuff over which nonbureaucrats go to the barricades. So the administration has instead rallied the troops with a campaign of

exaggeration about the CRA. In short, the community-development industry is being used as a pawn by the administration in a power struggle with the Fed.

The worst part of this is that the community-development industry is finally coming of age. All around the country, community-development professionals are engaged in exciting partnership with for-profit organizations to rebuild the physical and social infrastructure of some of America's blighted areas. The best of these are run in a very professional and businesslike fashion; their management teams could compete with any in corporate America.

Unfortunately, much of the industry is still quite insecure, with deep memories of being caught between widespread private-sector indifference and an unresponsive federal bureaucracy led by the Department of Housing and Urban Development. And some of the more flamboyant leaders in community development, who cut their teeth in the radicalism of the 1960s, are quick to lead protest marches and demonstrate their feelings. They have been coopted as unwitting foot soldiers in bigger wars, such as the Comptroller-Fed battle and the feud between the mortgage-insurance industry and the secondary mortgage market.

In the long run, there is no alternative to a zero-tolerance policy with regard to extortion in CRA or the type of protest that occurred at Sen. Gramm's house. Such behavior poisons the well of goodwill that makes community reinvestment possible. The time has come for those responsible for the success of CRA to break their silence and make clear whether they want community development to be a business success story or just some politician's sound bite.

What is needed is a clear way to demarcate those who deliver real community development from those who deliver a mob outside a bank branch or senator's house. The best people to do this are the leaders of community groups themselves. In private, some of the most accomplished practitioners have told me how embarrassed they are about the events at Mr. Gramm's house. They have not shied away from using the term "extortion" to describe activity that clearly fits the definition. These people know that their good efforts are made more difficult by the extortionists; who misuse resources and give community development a bad name.

PET CAUSES

Banks themselves must also make clear that they will not pay for political favors or meet extortionists' demands. The intent of CRA is to ensure that an adequate number of loans are made in low- and moderate-income neighborhoods and that those areas have access to bank branches and other banking services. There is no requirement that civic or community leaders must say nice things about the bank or that the bank must contribute to those leaders' pet causes or even their own organizations.

It is often too easy for bank management to simply pay for a problem to go away. Regulators should make sure that this doesn't happen, by insisting that CRA-type payments made by bank management go for services rendered—such as loan referrals—and are not de facto political contributions or extortion payments. Regulators would not tolerate a bank management that violated the Foreign Corrupt Practice Act by bribing foreign officials. Nor should they allow bribes to community groups in the U.S. The administration, meanwhile, should stop using America's developing communities as pawns in its own bureaucratic battles.

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to

the Senate by Mr. Williams, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session the Presiding Officer laid before the Senate messages from the President of the United States submitting sundry nominations which were referred to the appropriate committees.

(The nominations received today are printed at the end of the Senate proceedings.)

REPORT ON CERTIFICATION OF EXPORTING TO THE PEOPLE'S REPUBLIC OF CHINA SATELLITE FUELS AND SEPARATION SYSTEMS—MESSAGE FROM THE PRESIDENT—PM 26

The PRESIDING OFFICER laid before the Senate the following message from the President of the United States, together with an accompanying report; which was referred to the Committee on Armed Services.

To the Congress of the United States:

In accordance with the provisions of section 1512 of Public Law 105-261, the Strom Thurmond National Defense Authorization Act for Fiscal Year 1999, I hereby certify that the export to the People's Republic of China of satellite fuels and separation systems for the U.S.-origin Iridium commercial communications satellite program:

(1) is not detrimental to the United States space launch industry; and

(2) the material and equipment, including any indirect technical benefit that could be derived from such export, will not measurably improve the missile or space launch capabilities of the People's Republic of China.

WILLIAM J. CLINTON.

THE WHITE HOUSE, May 10, 1999.

EXECUTIVE AND OTHER COMMUNICATIONS

The following communications were laid before the Senate, together with accompanying papers, reports, and documents, which were referred as indicated:

EC-2964. A communication from the Acting Associate Administrator for Procurement, National Aeronautics and Space Administration, transmitting, pursuant to law, the report of a rule entitled "Electronic Funds Transfer (EFT)", received on April 15, 1999; to the Committee on Commerce, Science, and Transportation.

EC-2965. A communication from the Acting Associate Administrator for Procurement, National Aeronautics and Space Administration, transmitting, pursuant to law, the report of a rule entitled "Administrative Revisions to the NASA FAR Supplement", received on April 22, 1999; to the Committee on Commerce, Science, and Transportation.

EC-2966. A communication from the Administrator, National Aeronautics and Space Administration, transmitting, a draft of proposed legislation entitled "National Aeronautics and Space Administration Authorization Act, 2000"; to the Committee on Commerce, Science, and Transportation.

EC-2967. A communication from the Deputy Assistant Administrator, National Ocean

Service, National Oceanic and Atmospheric Administration, Department of Commerce, transmitting, pursuant to law, a "Request for Proposals for the Ecology and Oceanography of Harmful Algal Blooms Project" (RIN0648-ZA60) received on April 12, 1999; to the Committee on Commerce, Science, and Transportation.

EC-2968. A communication from the National Marine Fisheries Service, National Oceanic and Atmospheric Administration, Department of Commerce, transmitting, pursuant to law, a report regarding bluefin tuna, for calendar years 1997 and 1998; to the Committee on Commerce, Science, and Transportation.

EC-2969. A communication from the National Marine Fisheries Service, National Oceanic and Atmospheric Administration, Department of Commerce, transmitting, pursuant to law, a report regarding highly migratory species; to the Committee on Commerce, Science, and Transportation.

EC-2970. A communication from the Chairman, National Transportation Safety Board, transmitting, a draft of proposed legislation entitled "National Transportation Safety Board Amendments of 1999"; to the Committee on Commerce, Science, and Transportation.

EC-2971. A communication from the Secretary of Health and Human Services, transmitting, a draft of proposed legislation entitled "Voluntary Seafood Inspection Performance Based Organization Act of 1999"; to the Committee on Commerce, Science, and Transportation.

EC-2972. A communication from the Acting General Counsel, Department of Defense, transmitting, a draft of proposed legislation relative to various transportation matters; to the Committee on Commerce, Science, and Transportation.

EC-2973. A communication from the Acting Assistant Attorney General, Civil Rights Division, Department of Justice, transmitting, pursuant to law, the report of a rule entitled "Americans with Disabilities Act Accessibility Guidelines; Detectable Warnings" (RIN3015-AA24), received March 31, 1999; to the Committee on Commerce, Science, and Transportation.

EC-2974. A communication from the Secretary of Transportation, transmitting, pursuant to law, the annual report on the activities of the Department regarding the guarantee of obligations issued to finance the construction, reconstruction, or reconditioning of eligible export vessels for calendar year 1998; to the Committee on Commerce, Science, and Transportation.

EC-2975. A communication from the Secretary of Transportation, transmitting, pursuant to law, a report entitled "The Performance and Registration Information Systems Management Project" dated March 1999; to the Committee on Commerce, Science, and Transportation.

EC-2976. A communication from the Secretary of Transportation, transmitting, a report entitled "Development of Plans For Responding to Aviation Disasters Involving Civilians on Government Aircraft", dated March 11, 1999; to the Committee on Commerce, Science, and Transportation.

EC-2977. A communication from the Secretary of Transportation, transmitting, pursuant to law, a report entitled "Status of Activities which Respond to National Transportation Safety Board's Recommendations to the Secretary of Transportation" for calendar year 1998; to the Committee on Commerce, Science, and Transportation.

EC-2978. A communication from the Secretary of Transportation, transmitting, pursuant to law, a report of a vacancy; to the Committee on Commerce, Science, and Transportation.

EC-2979. A communication from the Secretary of Transportation, transmitting, pursuant to law, a report entitled "Implementation of the International Safety Management (ISM) Code"; to the Committee on Commerce, Science, and Transportation.

PETITIONS AND MEMORIALS

The following petitions and memorials were laid before the Senate and were referred or ordered to lie on the table as indicated:

POM-84. A resolution adopted by the Land Use and Zoning Authority, City of Dearborn Heights, Michigan relative to pending federal land use and zoning legislation; to the Committee on the Judiciary.

POM-85. A concurrent resolution adopted by the Legislature of the State of South Dakota; to the Committee on Agriculture, Nutrition, and Forestry.

SENATE CONCURRENT RESOLUTION NO. 4

Whereas, ongoing depressed prices at the market place for agricultural products have created an economic emergency for rural America; and

Whereas, an investigation into the causes of the crisis in the agricultural economy, including a full investigation of market competitiveness in livestock and crops and a re-examination of trade agreements is warranted and necessary; and

Whereas, action is necessary at the federal state level to stabilize this nation's food producers, main street businesses, and rural America as a whole: Now, therefore, be it

Resolved, by the Senate of the Seventy-fourth Legislature of the State of South Dakota (the House of Representatives concurring therein), That the South Dakota Legislature requests the following actions by the Congress and the executive agencies of the federal government:

(1) The commencement of vigorous antitrust investigations into the concentration of ownership in meat packing, grain handling, and retail agricultural operations;

(2) A block of the proposed Cargill-Continental Grain merger;

(3) Country-of-origin labeling of meat and meat products and a limitation of the USDA label to United States production;

(4) Mandatory price reporting for livestock and grain;

(5) Shift the responsibility for the regulation of packers and stockyards and enforcement of the Packers and Stockyards Act from the United States Department of Agriculture to the Justice Department;

(6) Inspections of imported agricultural products to ensure that such products have met standards equivalent to United States standards for food safety and environmental and worker protection; and

(7) Actions to ensure that farm and ranch producer interests are represented at the 1999 World Trade Organization negotiations.

POM-86. A joint resolution adopted by the Legislature of the Commonwealth of Virginia; to the Committee on Energy and Natural Resources.

SENATE JOINT RESOLUTION NO. 440

Whereas, federal legislation entitled the "Conservation and Reinvestment Act of 1999" has been introduced in the 106th Session of Congress which would provide financial assistance to meet the outdoor conservation and recreation needs of the American people; and

Whereas, funds received pursuant to the Act may be used for projects and activities related to air quality, water quality, fish and wildlife, wetlands, or other coastal resources, including shoreline protection and coastal restoration; and