EXTENSIONS OF REMARKS

IN HONOR OF JUDGE JULIO FUENTES' APPOINTMENT TO THE THIRD U.S. CIRCUIT COURT OF APPEALS

HON. ROBERT MENENDEZ

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 16, 2000

Mr. MENENDEZ. Mr. Speaker, today I honor Judge Julio Fuentes for his appointment to the Third U.S. Circuit Court of Appeals.

Judge Fuentes was born in Puerto Rico and raised in Toms River, New Jersey. He served in the U.S. Army from 1966 to 1969 as a military police officer. He earned his bachelors degree at Southern Illinois University and his Juris Doctor at the State University of New York at Buffalo. His hunger for knowledge never ends: while serving as a judge, Fuentes earned two master's degrees, one in Latin American Affairs at New York University and one in Liberal Arts at Rutgers University.

Throughout his career, Judge Fuentes has served with distinction and honor. For 21 years, he has proven himself to be a fair, open-minded, intelligent, and dedicated public servant. His dedicated service to New Jersey at the Municipal and Superior Court levels has well prepared him for this challenging position.

Judge Fuentes' appointment resonates with historical significance. He is the first Hispanic ever to be appointed to this prestigious court. The time has come for the judicial branch to better reflect America's rich diversity, and Judge Fuentes' appointment embraces that diversity and honors our heritage.

I ask my colleagues to join me in honoring Judge Julio Fuentes for his appointment to the Third U.S. Circuit Court of Appeals.

EDCNP CELEBRATES 35TH ANNIVERSARY

HON. PAUL E. KANJORSKI

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 16, 2000

Mr. KANJORSKI. Mr. Speaker, today I pay tribute to the Economic Development Council of Northeastern Pennsylvania, which recently celebrated its 35th anniversary. I am pleased and proud to have been asked to participate in this event.

In 1964, a small group of private sector leaders gathered to discuss forming a regional economic development entity, which would assist the local chambers of commerce in their work. The original group included members of the banking and business communities, colleges and universities, utilities, and others. These informal discussions led to the formation of the Economic Development Council of Northeastern Pennsylvania, or EDCNP as it is well known today.

The council hired its first executive director, expanded its board, and two years later became a private/public sector partnership with designation as a development district. In 1965, two federal acts for economic assistance were enacted. These legislative proposals, first suggested by John F. Kennedy, were signed into law by Lyndon Johnson. These landmark acts, the Appalachian Regional Development Act and the Public Works and Regional Development Act became the springboard for EDCNP to expand to seven counties under what is known as the substate regional plan.

Mr. Speaker, the EDCNP has provided numerous services to the community over the 35 years of its existence. Under the leadership of current president David Donlin and executive director Howard Grossman, the EDCNP continues to strive to promote economic development throughout our region. During my tenure in Congress, I have had the pleasure of working with the EDCNP on many economic development efforts. Working to highlight the importance of the Tobyhanna Army Depot during the last round of base closures, and getting the Susquehanna River named an American Heritage River are just two of the most recent efforts.

This organization provides many valuable services to Northeastern Pennsylvania, and I am pleased and proud to bring this distinguished organization to the attention of my colleagues. I send my very best wishes for continued success.

PERSONAL EXPLANATION

HON. XAVIER BECERRA

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 16, 2000

Mr. BECERRA. Mr. Speaker, due to a commitment in my district on Monday, May 15, 2000, I was unable to cast my floor vote on rollcall Nos. 180–182. The votes I missed include rollcall vote 180 on the Motion to Suspend the Rules and Agree to H. Res. 491, naming a room in the House of Representatives wing of the Capitol in honor of G.V. ''Sonny'' Montgomery; rollcall vote 181 on the Motion to Suspend the Rules and Pass, as Amended H.R. 4251, Congressional Oversight of Nuclear Transfers to North Korea Act; and rollcall 182 on the Motion to Suspend the Rules and Agree to H. Con. Res. 309, Expressing the Sense of the Congress with Regard to in-School Personal Safety Education Programs for Children.

Had I been present for the votes, I would have voted ''aye'' on rollcall votes 180, 181, and 182.

FRANK RAINES' STATEMENT ON PREDATORY LENDING

HON. CHAKA FATTAH

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 16, 2000

Mr. FATTAH. Mr. Speaker, I hope that all of the members of this body had the opportunity to hear Frank Raines, Chairman and Chief Executive Officer at Fannie Mae speak at the National Press Club—Newsmakers Luncheon on May 12, 2000. I was very impressed when Frank reported that, ''Since 1993, Fannie Mae initiatives have boosted lending to African Americans by 31 percent, and to all minorities by 16 percent. Last year, Fannie Mae alone provided nearly $46 billion in housing finance for over 400,000 minority families.''

While more needs to be done, Fannie Mae is headed in the right direction. I plan to place Frank's speech in today's RECORD.

Mr. Speaker, Fannie Mae has also established new anti-predatory lending policies for the loans it purchases from lenders. According to Frank Raines, ''Predatory lending violates three basic mortgage consumer rights: the right to access suitable mortgage credit; the right to the lowest cost mortgage for which a consumer can qualify; and, the right to know the true cost of a mortgage.'' Mr. Raines continues, ''We at Fannie Mae have an obligation to define the loans we will not buy, and practices we will not support—practices that can have the effect of encouraging predatory lending. Many of these practices such as steering, equity stripping, excessive fees, and prepayment penalties, take away affordable mortgage opportunities from those borrowers who need it the most.''

Mr. Speaker, Fannie Mae's guidelines and the company's recently released Mortgage Consumer's Bill of Rights, which promote consumer advocacy in housing finance, are bold steps forward in the effort to combat predatory lending practices. I applaud Mr. Raines for his leadership.

Mr. Speaker, we need Fannie Mae to do for the so-called sub-prime market what they have done for the conventional mortgage market: establish underwriting standards that would make it harder for predatory lenders to charge consumers 25-point origination fees, pre-payment penalties and the like. Fannie Mae has begun that process by announcing the availability of their Timely Payment Rewards mortgage. This mortgage offers home buyers with slightly impaired credit a lower rate than they could hope to get from a subprime lender—plus the possibility of another percentage point decrease in the interest rate if they maintain an on-time payment history for 24 months. Consumer savings provided by the Timely Payment Rewards Mortgage, savings which could amount to as much as $230 a month on a $100,000 loan, come from the bottom lines of the predatory lenders.

Consumer groups, and many lenders, have welcomed Fannie Mae's new loan for its innovation and appeal, as well as for the expansion of homeownership opportunities it portends. But not all lenders were pleased about this initiative. I'm sure that some of my colleagues have recently been visited by a group calling themselves FM Watch. They are a collection of mortgage insurers, taxpayer-guaranteed large depository institutions and subprime lenders who want to use the legislative process to win from Fannie Mae what they've been unable to win in the marketplace. They are supporting legislation introduced by Representative RICHARD BAKER—H.R. 3703. Fannie Mae and others have dubbed FM Watch, ''The Coalition for Higher Mortgage Costs,'' because their actions produce this result. Two of the trade associations that formed FM Watch, the National Home Equity Mortgage Association and the Consumer Mortgage Coalition, attacked Fannie Mae's announcement as an intrusion into "their market". Both organizations include many lenders who are active in the sub-prime market.

I hope that the lobbying efforts of competitors who are trying to protect their profits won't deter Fannie Mae from pushing forward with its anti-predatory lending principles and with Timely Payment Rewards.

Mr. Speaker, each of us has an obligation to understand this predatory lending issue and to examine the true motives of some of those who lobby us on this matter. We all know that to find out the truth, you have to ''follow the money.'' Mr. Speaker, I urge my colleagues to not listen to ''The Coalition for Higher Mortgage Costs'' and to oppose H.R. 3703.

REMARKS PREPARED FOR DELIVERY BY FRANKLIN D. RAINES, CHAIRMAN AND CHIEF EXECUTIVE OFFICER, FANNIE MAE

Thank you for joining us today.

These are ''interesting'' times for the housing industry, and we wanted to bring you up to date since Jim Johnson gave his farewell address as Chairman of Fannie Mae from this podium in November of 1998. A year and a half may not seem like a long time, but it has been an unusually turbulent period, and much is at stake.

As some of you may recall, Jim titled his speech, ''Why Homeownership Matters—Lessons Learned from a Decade in Housing Finance.'' He painted a very positive picture. He said the American Dream of homeownership was more alive, achievable and inclusive than ever. He said the growth in homeownership is making everything better, from the wealth of average families, to the health of older communities, to the strength of the nation's economy. The housing finance system, he declared, was the most efficient and effective ever devised.

Jim was absolutely right. And things have gotten even better. The national homeownership rate has just topped 67 percent, a new record. Even though mortgage rates have gone up, the housing market remains robust. Housing starts are strong. Home sales are vigorous. Home values are appreciating. Households are growing. Homes are getting larger. Home equity is rising. Default and foreclosure rates are at historic lows.

And the process of buying a home has never been better. Automated underwriting and other advances have made it faster, easier, less frustrating and less costly to finance a home, and reduced the bias in lending decisions. E-commerce and financial deregulation are giving consumers more power and more choices at lower costs. The mortgage industry has been breaking through the old red lines and bringing affordable housing finance to families that used to be overlooked, neglected or rejected.

Behind all of this, the secondary mortgage market—including Fannie Mae—is attracting billions of dollars of private capital from all over the world, providing lenders with a steady flow of funds in all communities at the lowest rates in the market and with zero risk to the government.

With the system we have today, and with the economic winds at our backs,

Yogi Berra warned that, ''A guy ought to be very careful in making predictions, especially about the future.'' But I think we're on pretty solid ground in predicting that the future of homeownership in America is very positive.

But I stand before you at a moment when questions have been raised about the utility of the U.S. secondary mortgage market that is so integral to the system's functioning as a whole. Some of these inquiries are well meaning. But it is no secret that some of the questions are generated by financial competitors that would earn more if Fannie Mae and Freddie Mac were not lowering costs for consumers.

The U.S. housing finance system is strong, but it is not indestructible. Changing it significantly could have real consequences for real families. The burden of proof for anyone that wants to change the system is a simple but stringent test—does it help or hurt home buyers?

Today, let me reinforce why our system works so well and what we are up against.

To illustrate what is so good about our system, let's compare it to the other major industrialized countries. Most of the G–7 countries have a well-developed mortgage system organized around depository institutions. But the mortgages they offer are less consumer-friendly. In America we take the 30-year, fixed-rate mortgage for granted. Last year, 66 percent of the mortgages issued in the U.S. were 30-year, fixed-rate conventional mortgages.

Outside the U.S., the long-term fixed-rate mortgage is a rarity. In Canada, they have rollover mortgages, where the rate is fixed during the first one to five years, with a prepayment penalty equal to three months of interest. The fixed-rate term in Spain is usually one year. In France, 80 percent of all mortgages have variable rates. In Germany, you can get a fixed-rate for five to fifteen years, but you can't refinance during this period without paying a huge penalty.

The low down payment features of U.S. conventional mortgages are also unique. We now take for granted down payments as low as 5 and 3 percent. That's not the case in, say, Germany, France, the United Kingdom or Japan. In Germany, the down payment is typically 30 to 40 percent, and in Japan, you've had to put down effectively 50 to 60 percent.

Why are American conventional mortgages more consumer-friendly? Mainly because we have a secondary mortgage market. In other countries, the banks largely make the loans from their deposits and hold the mortgages as an investment. Our system primarily worked that way until the 1970s and 1980s. Today in America, banks, thrifts, mortgage bankers and credit unions make the loans, but they can depend on the secondary market to supply the long-term funding.

What Congress did in establishing a secondary market in the thirties and privatizing this market in the sixties made this change possible, and it has turned out to be absolutely brilliant. When it chartered Fannie Mae and then Freddie Mac as private companies, it created a system that harnesses private enterprise and private capital to deliver the public benefit of homeownership. And it maximizes this public benefit while minimizing the public risk, without a nickel of public funds.

Let's do a quick risk-benefit analysis, starting with the risk side of the equation.

There is a simple reason fixed-rate mortgages with low down payments are rare outside the U.S. Since they don't have a secondary market to buy the mortgage, the lender has to hold the loan and take on all the risk. That is, the lender has to assume the credit risk—the risk that the borrower could default—and the interest-rate risk—the risk that interest rates will change and cause the lender to pay out more to depositors than he is receiving on loans. So the lender protects himself by requiring the consumer to pay more up front and more each month if interest rates rise.

In America, the secondary market purchases the mortgage, taking most of the credit and interest rate risk on the loan off the lenders' books. But the secondary market run by Fannie Mae and Freddie Mac does not retain all the risk. We share or disperse the risk around the world.

This process is called ''risk transformation.'' Here's how it works. Fannie Mae and our lender partners create mortgages that consumers want, like our 3 percent down Fannie 97. And we finance them with capital we raise by creating debt instruments that investors want, like our Benchmark securities. We share the credit risk on the Fannie 97 with mortgage insurance companies, and we hedge the interest rate risk by selling callable debt securities to Wall Street. We also work with Wall Street to develop even more refined strategies for hedging our interest-rate risk and credit risk. Last year, we spent about half of our gross revenues paying others to assume risk we didn't want.

Managing risk, in fact, is all we do. We manage risk on one asset—U.S. home mortgages—perhaps the safest asset in the world. All told, 96 percent of all mortgages in America are paid in a timely fashion, which goes to show just how much Americans cherish homeownership. And to help us analyze our risk precisely, we have amassed performance data on 29 million loans dating back over 20 years.

All of this helps to explain why our credit loss rate during the nineties averaged only 5 basis points—five cents on every hundred dollars—even during the recessions in California and New England. Just to compare, the bank credit loss rate on their more diverse set of assets was an average of 86 basis points, or 86 cents on every hundred dollars. Today, our loss rate is lower than ever, at just 1 basis point last year.

A strong secondary market makes the entire financial system safer and more stable. The government holds Fannie Mae and Freddie Mac to the highest financial safety and soundness standards in the financial services industry. We have to hold enough capital to survive a stress test—essentially, ten years of devastating mortgage defaults and extreme interest rate movements. Other financial institutions would not last long under the scenario spelled out in our capital requirements. Thrifts, for example, would become insolvent after five to seven years. At the end of the ten years, Fannie Mae and Freddie Mac would be the only major holder of mortgage assets still standing. A strong secondary market puts mortgages in the safest hands.

Now let's look at the public benefit.

First, the secondary market means consumers never have to hear their lender say, ''sorry—we're out of money to lend.'' People think this can't happen, that it's something out of the Depression era. But without Fannie Mae and Freddie Mac, this could have happened at least twice in the last 20 years. When the S&L system crashed during the eighties, the thrifts in California and Texas would have had no money to lend if we had not stepped

The secondary market also drives down mortgage costs. Last week, a mortgage backed by Fannie Mae would be $19,000 cheaper, over the term, than a jumbo mortgage that's just a dollar beyond our loan limit. Our savings over the jumbo market jumped beyond $26,000 during the credit crisis of 1998. Today, a Fannie Mae loan is about $200,000 cheaper than a subprime mortgage, and even about $18,000 cheaper than an equivalent FHA or VA loan backed by the government. During the nineties, Fannie Mae alone saved consumers at least $20 billion through lower mortgage rates.

The secondary market also expands homeownership. Under the 1992 revisions to our charter, Congress requires Fannie Mae and Freddie Mac to meet affordable housing goals, to devote a set percentage of our business to underserved families and communities. As many of you know, Fannie Mae has gone well beyond these requirements. In 1994, Jim Johnson pledged that we would provide $1 trillion in housing finance to ten million underserved families by the end of 2000. We met that goal a month ago—eight months ahead of schedule—and immediately set an even greater goal to provide $2 trillion in financing to 18 million families during this decade. We call this new pledge the American Dream Commitment.

Since 1993, these initiatives have boosted our lending to African Americans by 31 percent, and to all minorities by 16 percent. Last year, Fannie Mae alone provided nearly $46 billion in housing finance for over 400,000 minority families. That's what having a strong secondary market can do.

The success of our housing finance system is not lost on the other major industrialized countries. I just returned on Tuesday from meetings in London and Frankfurt with our debt investors—the people who buy our Benchmark securities that allow us to finance mortgages here. One of the many ironies of being Chairman of Fannie Mae is that there are countries in which investors will help finance American homeownership while their own homeownership rate is lower.

Naturally, many countries are curious about our system. Fannie Mae has responded to many requests to serve as advisors overseas, not because we will ever buy loans abroad, but because of our expertise in the unique U.S. secondary market, a market that is viewed in other countries as some kind of miracle.

So over the past few years, a team from Fannie Mae has been invited to 29 different countries from Europe, to Africa, to Latin America, to Asia to help them figure out how to build a better system like ours. These countries have asked us how to deepen their capital markets, manage risk better and expand affordable lending and fair lending. We just had a team in South Africa to help a start-up secondary market conduit develop mortgage risk modeling, which they want to use to fight redlining.

What you see in America is a dynamic web of entities—both public and private sector—delivering homeownership to citizens of all backgrounds, incomes and circumstances. We have small, medium and large mortgage originators and lenders, serving consumers from store fronts to web sites. We have home builders, Realtors, mortgage brokers, mortgage insurers and appraisers and mortgage.coms. We have consumer advocates, citizen activists and nonprofit housing organizations. The system receives wide support from local, county, state and federal agencies and elected leaders,

The interaction of these entities is constantly driving the housing system to improve itself, to reward low cost and high quality, to police the bad actors and chuck out the bad apples, to search for new markets and untapped home buyers, and break down the barriers. Looking back over my years in the industry gives me confidence that the U.S. housing system, with a little nudging here and there, will continue to do the right thing for consumers. Good money will drive out the bad. A better mousetrap is always in development. Underserved families will be served. Our system is constantly evolving and innovating to make owning a home more possible for more people.

Given how great our system is, it makes you wonder: Why are some voices suggesting there is something wrong with our housing finance system, something fundamental that needs to be fixed?

Certainly, the system benefits from constructive scrutiny. It is entirely appropriate for the Congress to hold oversight hearings on the safety and soundness of the secondary mortgage market. I look forward to testifying before Mr. Baker's subcommittee next week. It is also appropriate for our regulators—HUD and OFHEO—to monitor us closely. And it is appropriate for other agencies to ask questions within their purview as well. We welcome official scrutiny.

But something less constructive is also going on here in Washington. Recently, a senior Senator asked me why Fannie Mae was suddenly in the news so much. I explained to him that some very large financial institutions have decided they are not content with the way the system works for them. They see how Fannie Mae and Freddie Mac drive down mortgage costs for consumers and serve all mortgage lenders. They see how we give small- and medium-sized mortgage lenders a chance to compete with the large institutions. So this small group of large institutions would like to eliminate the benefits that Fannie Mae and Freddie Mac provide, from low-cost financing to automated underwriting systems.

They have brought the fight to Washington under the name FM Watch. They began by defining themselves as a watchdog group, and their rhetoric was mild. But over the course of the past year, they have been unable to gain any traction. They have been unable to answer the question of how the consumer would benefit from any of their proposals regarding Fannie Mae and Freddie Mac. And or nickname for this group, the ''Coalition for Higher Mortgage Costs,'' has stuck like a tattoo.

So this group has switched from watchdog to attack dog. Its strategy is now to create an instant crisis, to convince policymakers that Fannie Mae and Freddie Mac are a financial risk to the taxpayer, an S&L crisis waiting to happen. This is the equivalent of the owner of one movie theater going to a rival theater and shouting ''fire!'' A mortgage insurance industry that nearly collapsed in the 1980s and a banking industry that collapsed in the early 1990s now seek to tag the secondary mortgage industry with the word ''risky.''

By trying to create a crisis, FM Watch has gone beyond a watchdog role into an approach which, carried to its logical conclusion, would actually harm the housing finance system, all in an effort to create short-term advantages for its members.

Never mind that its claims collapse under scrutiny. Fannie Mae and Freddie Mac are far from the S&L problems and banking problems that bankrupted their deposit insurance funds and required federal direct and indirect bailouts.

Our safety and soundness allowed us to be the ''white hats'' in the S&L and banking crises as we rode in with additional capital to keep the housing system going. The risk-based capital standard that Congress gave us since the S&L and banking crises has made us even more safe and sound. What FM Watch does not mention is that if the economic stress test in our capital standard ever came to pass, the government would have to bail out their members long before Fannie Mae was in any danger.

But you can learn a lot from debating with an entity like FM Watch. They use so many facts that you just can't find anywhere else. It reminds me of a story Adlai Stevenson once told. He reminded his audience of the old lawyer addressing the jury, who closed his summation by saying: ''And these, ladies and gentlemen, are the conclusions on which I base my facts.'' FM Watch is looking for any conclusion that will help to damage Fannie Mae and Freddie Mac. The facts will be altered to fit.

If this Coalition for Higher Mortgage Costs were successful, it would destabilize the secondary mortgage market and the related capital markets. This destabilization would undermine the entire housing industry and its progress, raise costs for consumers and stifle the advance of homeownership—harming underserved families first. Because such an outcome is unacceptable, I don't think this will happen. The American people and their elected representatives are smart. They will soon recognize another lobbyist-driven Potemkin-crisis public relations campaign for what it is. Then they and the capital markets will stop listening.

Certainly our housing system is not perfect. Minority homeownership rates are too low. There is still inequality in affordable mortgage credit. Too many families that can afford the least are being charged the most for mortgage credit. Too many borrowers are being targeted by predatory lenders or steered to subprime lending when they could, in fact, qualify for low-cost conventional financing.

One issue deserving of further study is the question of why disparities in loan approvals between white and minority borrowers continue to persist. Many have suspected overt racial discrimination. But those disparities can be found even in automated underwriting systems using racially neutral underwriting criteria.

We take this issue very seriously because in our experience, automated underwriting has in fact expanded lending to minority families. To try to understand the problem better, we have studied results from our system, Desktop Underwriter. We found that differences in credit histories account for about 50 percent of the difference in loan approvals. And when you also factor in the applicant's loan-to-value ratio and reserves, these three factors together account for over 90 percent of the difference in the approval ratings. The results of this study point to the need for public policies addressing consumer credit education and minority savings and wealth development.

The housing finance system needs more answers to questions such as this. To further explore these issues, next month Fannie Mae is hosting a conference titled ''The Role of Automated Underwriting in Expanding Minority Homeownership.'' We're bringing together a range of advocates, academics, regulators and lenders to engage in a meaningful dialogue concerning automated underwriting systems and their role in expanding homeownership and promoting fair lending. I am personally committed to working every day to make sure that these systems are the best they can possibly be.

All in all, the housing finance system—through inspiration, perspiration and a little luck—has grown into the most successful system in the world. It is worth protecting and defending. We must never allow the system to be damaged by those who would place their narrow financial interests ahead of those of the industry as a whole and—most importantly—ahead of the consumers we serve.

This being a national election year, it is a good time to discuss and debate our national priorities, and certainly homeownership is high among them. Few ideals unite us more than owning a home to raise your family, invest your income, become part of a community and have something to show for it. There are many ways to go about improving the housing finance system to make it better, more affordable and more inclusive. As we pursue these efforts, we need to keep our eyes on the prize and ask the most important question, ''does this proposal help or hurt home buyers?''

Thank you.

CONSERVATION AND REINVESTMENT ACT OF 1999

SPEECH OF

HON. STENY H. HOYER

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 11, 2000

The House in Committee of the Whole House on the State of the Union had under consideration the bill (H.R. 701) to provide Outer Continental Shelf Impact Assistance to State and local governments, to amend the Land and Water Conservation Fund Act of 1965, the Urban Park and Recreation Recovery Act of 1978, and the Federal Aid in Wildlife Restoration Act (commonly referred to as the Pittman-Robertson Act) to establish a fund to meet the outdoor conservation and recreation needs of the American people, and for other purposes:

Mr. HOYER Mr. Chairman, I regrettably oppose H.R. 701. I say regrettably, Mr. Chairman, because there is much in this measure that I strongly support. The Land and Water Conservation Fund, Wildlife Conservation, Urban Parks, Historic Preservation, and Conservation Easements are objectives that I have supported throughout my career.

Unfortunately, H.R. 701 funds these measures by making approximately $2.8 billion in discretionary spending mandatory spending. As mandatory spending it is not subject to the annual appropriations process. I know that for some this is a positive thing but as a member of the Appropriations Committee, I simply cannot support this.

In the past I have opposed similar efforts to make highway and aviation spending mandatory. Not necessarily because I opposed the objective, but because I disagreed with the precedent.

My friends, since coming to Congress I have seen discretionary spending squeezed harder and harder every year as the mandatory spending components of the budget have grown. Thirty years ago discretionary spending accounted for 61.5% of the budget with the remaining 38.5% reserved for mandatory spending. By 1980 discretionary spending had declined to 46.7% of the budget. By 1990 this figure fell even further to 39.9% and this year the estimate is that discretionary spending will account for only 34.5% of the budget.

The remaining 65% percent of the budget next year will be consumed by mandatory spending and interest on the national debt. And, we are here today taking about moving another $2.8 billion from discretionary spending over to the mandatory side.

If we pass this bill, we are going to squeeze Head Start, student loans, cancer research, law enforcement, defense and every other discretionary spending priority you can think of even further.

As I said at the beginning, I support the items contained in this legislation. What I cannot support is putting land acquisition and historic preservation ahead of defense, cancer research, and education. Governing is about making choices—sometimes difficult ones. This legislation is another step toward putting as county's spending decisions on autopilot. I urge all my colleagues to reject it.

A POEM

HON. JOHN COOKSEY

OF LOUISIANA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 16, 2000

Mr. COOKSEY. Mr. Speaker, attached is a poem by Jean McGivney Boese, Poet Laureate of Louisiana, which I would like to submit and share with my colleagues.

MILLENNIUM 2000

Our time is measured from the day that Jesus came to earth.
The thoughts we think are framed by his extraordinary birth.
He taught us how to live our lives, He taught us what is true.
If we have failed, it is because of what we failed to do.

It soon will be 2000 years since Jesus lived as Man.
As we reach this Millennium we look back on a span
Of awesome things and awful things that filled the Centuries,
And thank God that the brave and good outnumber cruelties.

For those who think there is no God, the future is a void.
Their lives are aimless as a fleeting, pointless asteroid.
We have a way to follow, and the free will to decide,
This new Millennium can be where joy and peace abide.

LANDRUM ELEMENTARY SCHOOL

HON. SOLOMON P. ORTIZ

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 16, 2000

Mr. ORTIZ. Mr. Speaker, today I pay tribute to a school in San Benito, Texas, that is beating the odds in today's public education system. At a time when our resources are terribly over-burdened, for the second year in a row Landrum Elementary School has been chosen as a winner of the ''Set A Good Example'' competition, sponsored by the Concerned Businessmen of America.

These awards, launched in 1982, recognize schools which have a student-oriented program to influence their peers in a positive way by promoting simple human moral values such as honesty, trustworthiness, responsibility, competence and fairness. The Concerned Businessmen of America is a not-for-profit charitable educational organization which incorporates successful business strategies to combat social ills and problems that face young people.

At a time when parents and community leaders are watching our young people with new eyes, wondering what is going on inside their minds and what motivates them, this recognition is concrete proof that the community surrounding Landrum Elementary School—educators, counselors, parents, business people, and most importantly, students themselves—is working together to ward off the problems that have plagued other schools and other young people. The winning ingredient here is the active involvement of the students; the best messenger for young people is other young people.

We have enormous challenges before us in education, and with regard to public policy in our public schools. There will never be one single answer to preparing young people to withstand the complex social issues that our children encounter each day. But the best way to prepare our children to deal with the society in which we live is to teach them, from very early on, simple moral guidelines to apply to their lives. The ''Set a Good Example'' program follows up as encouragement and reinforcement to these lessons.

I ask my colleagues to join me in commending Landrum Elementary School for their efforts to be part of a solution, which is the first step toward solving the problem. I thank the young people there for leading the way to better grades and healthier attitudes.

HONORING THE HONORABLE LINDEN FORBES SAMPSON BURNHAM

HON. EDOLPHUS TOWNS

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 16, 2000

Mr. TOWNS. Mr. Speaker, on this the 34th anniversary of the independence of Guyana, I rise to honor the memory and celebrate the achievements of the Honorable Linden Forbes Sampson Burnham, the former President of Guyana, and one of the most charismatic political personalities in the Caribbean region and in the Third World community. The Hon.