

I think it is fair to say that we will look back on this period as a time when South Asia became a major focus of U.S. foreign policy. Obviously, Afghanistan has occupied much of our attention, as our forces have routed the Taliban and Al Qaeda forces, which had turned that country into a base for international terrorism.

But a South Asian relationship that has perhaps received fewer headlines, but which I believe will prove to have a long-lasting and deep value for both countries, is our growing relationship with India.

After September 11, when so much changed for America and the world, India immediately stepped forward in full support and solidarity with the United States in the war on terrorism. But this level of cooperation and partnership between the U.S. and India in the struggle against terrorism was nothing new. The two countries had actually been cooperating on counter-terrorism efforts since the establishment of the U.S.-India Joint Working Group on Counter-terrorism in January 2000. Further, this cooperative system for addressing the problem of terrorism was part of a much larger realignment in relations between the world's two largest democracies.

When President Clinton traveled to India in March 2000—the first visit by an American President to India in more than 20 years—bilateral relations had already been showing signs of slow but steady improvement. President Clinton's trip to India, and the visit a few months later in September 2000 by Indian Prime Minister Atal Bihari Vajpayee—marking the first time that two Indo-U.S. summits had taken place in the same year—resulted in the development of a new framework for bilateral relations that was spelled out in "A Vision for the 21st Century." This Vision Statement called for a greater institutional dialogue, including a U.S.-India Financial and Economic Forum, a U.S.-India Commercial Dialogue, a U.S.-India Working Group on Trade, and joint groups dealing with such wide-ranging issues as energy and environment, science and technology exchange, and cooperation on the promotion of democracy internationally. I am pleased to report that these cooperative bodies have been active and have produced substantive results.

Since assuming office in early 2001, the Bush Administration has continued the progress begun by its predecessor. After 9/11, there was an upsurge in U.S.-India relations, given the urgent need to address the source of terrorism in Afghanistan. While India and the United States are united as democracies that have been the victims of horrendous terrorist violence, much of it coming from the same extremist sources based in Afghanistan and Pakistan, our relationship is by no means limited to our alliance in the war on terrorism. At their November 2001 meeting, President Bush and Prime Minister Vajpayee issued a joint statement affirming their commitment to continue transforming our relationship, including increased exchanges and technical cooperation in the defense and security areas. They also called for policies to enhance the economic and commercial ties between our nations and agreed to dialogue and cooperation in the areas of energy, the environment, health, space, export controls, science, biotechnology and information technology. The cordial relationship between President Bush and Prime Minister Vajpayee, like the warm

ties that President Clinton continues to enjoy with the Prime Minister, serves as a visible symbol of the friendship and partnership between our countries on so many levels. In his visit to the United States this September for the UN General Assembly meeting, Prime Minister Vajpayee attended commemoration ceremonies for 9/11, demonstrating again that the Indian and American peoples stand together as supporters of democracy committed to standing steadfastly against the scourge of international terrorism.

Mr. Speaker, India's commitment to democracy is not just some abstract principle. For 50 years, India's political system has been based on free and fair elections. We have just witnessed the latest example of this commitment in India's state of Jammu and Kashmir. Despite the ongoing threat of terrorism, much of it emanating from neighboring Pakistan, four rounds of elections have just been completed in Jammu and Kashmir for the state assembly. Despite efforts by the terrorists to intimidate voters and candidates, the elections have been successfully concluded. Voter turnout has been estimated at a respectable 44 percent, and the early indications are that the current ruling party will lose its majority in the assembly. The fact that the state government will peacefully change hands as the result of an elections is but further evidence that India's democracy is not only alive and well, but thriving.

Mr. Speaker the progress in U.S.-India relations that has been made over the last several years has allowed us to broaden and deepen a relationship with a sister democracy in a part of the world where the United States has significant interests. It is a relationship that can only continue to bring both countries great benefits.

#### THE FEDERAL CREDIT UNION SERVICES EXPANSION ACT OF 2002

**HON. JOHN J. LaFALCE**

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

*Thursday, October 10, 2002*

Mr. LaFALCE. Mr. Speaker, I am today introducing legislation to enhance the membership, services and investment options available for credit unions under the Federal Credit Union Act. The bill also seeks to enhance Federal oversight and member protections in connection with certain credit union charter conversions.

I am offering the "Federal Credit Union Services Expansion Act of 2002" as a discussion document to highlight those areas of federal policy that I believe merit consideration by Congress. It is my hope that the proposals in this legislation will provide a template for new legislation in the next Congress.

Congress enacted landmark legislation in 1998 with the adoption of the Credit Union Membership Access Act. The credit union industry was confronted with a series of adverse Federal court rulings, culminating in a Supreme Court ruling early in 1998, that threatened to stall all future credit union growth and deny credit union services to millions of American families. We were able to forge consensus legislation, overcome the strong opposition of the banking industry, win near unanimous votes in both Houses and put a bill on

the President's desk within a matter of months. This was a significant accomplishment, as well as a testament to the strong and growing support credit unions enjoy among American consumers.

I consider passage of the credit union legislation one of the important achievements of my years in Congress. This is in part because I consider credit unions as playing so important a role in the lives of so many American families and in so many of the communities that I represent. I believe even more strongly today that credit unions serve a unique and special role in our economy and society. The distinctive quality of credit unions is clearly a philosophy and attitude that reflects not only their structure as member organizations, but a mission that stresses service to members as their primary motivation.

As the author of many of the provisions of the 1998 legislation, I did not consider it a final answer to the issues raised by the bank litigation nor to the broader question of credit union growth. On the contrary, it was a critical first step in what I anticipated would be a gradual process of expanding credit union services to greater numbers of consumers. A number of compromises had to be made to achieve agreement on the legislation, some of which now appear unnecessary and should be revisited. And new advances in technology that continue to change the way we receive financial services also need to be accommodated in the law.

But other developments also require a review of the role credit unions play in our financial marketplace. We have witnessed the gradual withdrawal of traditional financial institutions from many of our nation's inner cities and rural communities. Entire communities have been devastated by a lack of financial investment, and large segments of our population have been left to the mercy of check cashiers, payday lenders, pawn shops and other fringe lenders to obtain basic financial services. Many traditional institutions are charging punitive fees and many others are engaging in predatory lending and other abusive practices. Even our college students have been bombarded with irresponsible offers of high-cost credit and buried by unpayable credit card debt.

Clearly, credit unions have not been part of this problem. But I am convinced they can be an important part of the solution. The key question for Congress is how to fashion our laws so that credit unions can remain faithful to their mission and their values and still become a solution to the financial needs of greater numbers of consumers? We want credit unions to become a financial services option for more Americans, but we do not want to render the core concept of credit union membership—a common bond—less meaningful.

I have struggled for several years to find an appropriate response to these questions. This effort has been complicated by a growing trend among larger credit unions to consider conversion to State credit union charters in response to State enticements of new powers, expanded membership options and reduced regulation. Equally serious has been the growing debate over conversion to private deposit insurance to avoid stronger safety and soundness regulation in federal law. While I remain a supporter of dual chartering for all financial institutions, I believe credit unions present

unique issues and problems. As democratic, member-owned entities, credit unions need to involve members in any debate over changes in charters and insurance, and members need to be fully informed of the purpose and potential risks in such conversions.

The "Federal Credit Union Services Expansion Act" provides a blueprint of the initial steps needed to address these questions. First, the bill amends several sections of the 1998 Act to remove impediments to voluntary mergers among credit unions and conversions to community charters. In the later case, the bill would require the National Credit Union Administration to establish standards under which a credit union, such as a company-based credit union with members in a distant production facility, would be able to retain those members as part of a conversion to a community charter.

The bill would create new opportunities for expanding credit union membership and services to students to counter the growing abuse of college and high school students by credit card companies and other providers of high cost banking services. It would exempt student groups from the statutory 3,000-member limitation on new group additions to permit expansion of existing credit union services to college campuses, high schools and entire school districts, with the requirement that the credit union must also provide needed financial education and counseling services.

The bill would enable credit unions to respond to the growing need for basic services among individuals who lack traditional banking relationships and are being targeted by high cost check cashing and bill payment services. It would permit a credit union to provide needed check cashing and wire transfer services to non-members. This can provide an important marketing tool to potential members who may have distrusted traditional banking relationships in the past and are unaware of the services credit unions offer.

The bill also responds to the growing interest among credit unions in expanding small business lending services to members. Growing numbers of credit unions with active business lending programs are being restrained by the loan volume cap, equal to 12.25 percent of credit union net worth, that the Senate imposed as part of the 1998 legislation. My bill would permit additional business lending up to approximately 17 percent of credit union net worth. In addition, it would remove a long-time impediment in Small Business Administration regulations that has prevented credit union participation in the SBA's guaranteed small business loan program. SBA and other guaranteed loans are currently exempted from the statutory business loan limitation. In combination, these changes would provide ample room for most credit unions to substantially expand business lending services to their members.

The 1998 Act included an important provision originally authored by our colleague from Texas, Mr. Frost, that permitted an exception from the geographic limitations in the Act on new member group recruitment for potential members and groups who reside within areas determined to be financially underserved by the Treasury Department under criteria established for the Community Development Financial Institutions program. Unfortunately, an error in the statute limited this exception only to multiple group credit unions, excluding eligibility by single group, community and commu-

nity development credit unions. The bill would correct this oversight and expand this important exception to greater numbers of credit unions. It would also expand the statute's definition of underserved areas to include areas with a significant need for affordable credit and banking services as evidenced by a documented concentration of payday lenders, money transfer and other high-cost fringe lenders. The change would permit credit unions to compete directly with fringe lenders who attempt to take advantage of vulnerable consumers.

The bill includes a number of important provisions to address potential problems in credit union conversions. It would raise substantially the minimum level of member participation in votes to convert a credit union to a mutual thrift institution or to transfer a credit union's deposits from federal share insurance. These are significant changes with serious consequences for members that require that members be fully informed and encouraged to participate in any conversion process. The bill also includes changes to provide earlier notice to NCUA regarding a credit union's intent to convert to a mutual thrift or to private insurance. And it proposes new conflict of interest protections to assure that a credit union officers and directors not attempt to persuade members to approve a conversion in which they receive any form of financial benefit.

Finally, the bill attempts to preserve the integrity and attractiveness of the federal credit union charter in response to State efforts to encourage conversions with escalating promises of new powers and reduced regulation. It would prohibit a state chartered insured credit union from including any person or organization within its membership that is not a permissible member for a federal credit union, or to engage in any activity, or exercise any asset power, that is not authorized for a federal credit union. It would authorize NCUA to provide exceptions on a case-by-case basis, provided that the exempted activity meets federal standards for safe and sound operation and is fully consistent with the mission and purpose of Federal credit unions.

Mr. Speaker, I offer this legislation in the hope that my House and Senate colleagues would consider it as a starting point for a broader credit union bill next session. Just as the legislation I introduced in 1997 became the framework for the 1998 Credit Union Membership Access Act, I would hope that introducing this bill will encourage action on new credit union legislation next year.

#### TRIBUTE TO SARAH AND HANNAH WALSH

#### HON. SCOTT McINNIS

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 10, 2002

Mr. McINNIS. Mr. Speaker, it is with great enthusiasm that I recognize Sarah and Hannah Walsh of Grand Junction, Colorado for their outstanding performance this year with the Grand Junction High School Softball Team. Sarah and Hannah are the great-great-nieces of the legendary White Sox pitcher "Big Ed" Walsh. Today, the legacy of "Big Ed" Walsh's abilities have been passed to a new generation within the Walsh family, and I

would like to pay tribute to Sarah and Hannah for their accomplishments as part of a rich and historic tradition.

"Big Ed" Walsh was born in Plains, Pennsylvania in 1881 and began his professional baseball career in 1904. He is considered one of the game's greatest pitchers and was inducted into the Baseball Hall of Fame in Cooperstown, New York in 1946. In fact, Mr. Walsh still holds the Major League record for the most games won by a pitcher in a single season—40 games in 1908. He also had two seasons where he pitched more than 400 innings, and won two World Series games. His career record was 195–126 and he is credited with having the lowest all-time career major league ERA (1.82).

Today, Sarah and Hannah are experiencing the same success on the baseball diamond as their uncle did almost one century ago. Currently, they are both starting players for the Grand Junction Tigers High School Softball Team. Sarah is a senior this year and plays first base, while her sister Hannah, a freshman, is currently playing right field and is the leadoff hitter for the Tigers. Together, they have helped the Tigers to a 9–1 season in the Southwestern League as well as a co-Southwestern League Championship.

Mr. Speaker, it is with great satisfaction that I recognize Sarah and Hannah Walsh before this body of Congress and this nation for their outstanding participation in the enduring legacy of our nation's pastime. I commend them for their outstanding performance and wish the Tigers the best of luck as they set their sights on the state championship.

IN MEMORIAM—DOUGLASS LORY WARREN—FEBRUARY 18, 1950–JULY 21, 2002

#### HON. CHRISTOPHER COX

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 10, 2002

Mr. COX. Mr. Speaker, I rise to commemorate the life of my classmate and friend, Douglass Lory Warren, whose passions in life earned him the moniker "Renaissance Man" among his many admirers. He died Sunday, July 21, 2002, at Beth Israel Deaconess Hospital, of non-Hodgkins lymphoma, at the age of 52.

This Saturday, October 12, 2002, his friends and family will gather for a memorial service at the Memorial Chapel on the campus of Doug's beloved Harvard University. His classmates, business associates, neighbors, and many others whose lives he touched will share remembrances, anecdotes, and even photos for inclusion in a "Book of Doug" that will serve as a lasting reminder of this extraordinary individual.

Doug was born in Memphis, TN. He graduated from St. Paul's School, Concord, NH, and received his BS and MBA from Harvard University. He was a member of The Hasty Pudding Theatricals and the Harvard Krokodiloes, and was president of The Harvard Independent. A resident of Hopkinton, he was a founder of the Hopkinton Education Foundation. At the time of his death, he was a partner with Tatum CFO Partners, LLP.

According to his brother Gregory, Douglass viewed the world with his heart rather than his