Finally, the Republican leadership has agreed to sit down with Democrats and work and an appropriations bill that doesn't face a veto threat. It funds the U.S. brokered Wye River Agreement, an important part of achieving a real and lasting peace in the Middle East and affirmation of our commitment to Israel, a critical ally.

A vote for this bill is a vote for a strong leadership role for the United States. I urge passage of this bill because foreign operations bolster our military and national security. This legislation declares support for our armed services and for the men and women who risk their lives to protect our freedom.

A TRIBUTE TO MILTON S. HOFFMAN

HON. NITA M. LOWEY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, November 8, 1999

Mrs. LOWEY. Mr. Speaker, I rise today to express my great admiration for Milton S. Hoffman, senior editor of the Editorial Board of The Journal News in Westchester County, NY. Mr. Hoffman's outstanding accomplishments in the field of journalism and his significant contributions to the government and civic life of the county have merited him still another award—the press gallery in the chambers of the Westchester County Board of Legislators will be dedicated in his honor later this month.

A man of high principle, integrity and skill, Mr. Hoffman began his lifelong newspaper career as an elementary school student in West Harrison, NY. In 1955, he started a 17-year stint covering Westchester County government for a precursor of The Journal News. He provided consistently thorough and thoughtful coverage of issues before the then-governing body, the County Board of Supervisors. His insightful writing also led to the replacement in 1969 of the Board of Supervisors with a more representative and efficient County Board of Legislators.

Mr. Hoffman continued his tireless advocacy for progressive social policies as the state government and politics reporter, editorial page editor, columnist and now senior editor. His philosophy throughout a distinguished 45-year career has been ''not to tear things down, but to build them up.''

How fitting that the press gallery be named for a journalist who has trained, over four and a half decades, thousands of young reporters in the principles of fairness and accuracy. Indeed, Westchester County today has a better governing structure thanks to Milt Hoffman's vision and leadership. And all of us in the County are richer because of his unfailing dedication and commitment to making this a better place to live and work.

CONFERENCE REPORT ON S. 900, GRAMM-LEACH-BLILEY ACT

SPEECH OF

HON. RON PAUL

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 4, 1999

Mr. PAUL. Madam Speaker, today we are considering a bill aimed at modernizing the financial services industry through deregulation. It is a worthy goal which I support. However, this bill falls short of that goal. The negative aspects of this bill outweigh the benefits. Many have already argued for the need to update our financial laws. I would just add that I agree on the need for reform but oppose this approach.

With the economy more fragile than is popularly recognized, we should move cautiously as we initiate reforms. Federal Reserve Board Chairman Alan Greenspan (in a 1997 speech in Frankfurt, Germany and other times), Kurt Richebacher, Frank Veneroso and others, have questioned the statistical accuracy of the economy's vaunted productivity gains.

Federal Reserve Governor Edward Gramlich today joined many others who are concerned about the strength of the economy when he warned that the low U.S. savings rate was a cause for concern. Coupled with the likely decline in foreign investment in the United States, he said that the economy will require some potentially ''painful'' adjustments—some combination of higher exports, higher interest rates, lower investment, and/or lower dollar values.

Such a scenario would put added pressure on the financial bubble. The growth in money and credit has outpaced both savings and economic growth. These inflationary pressures have been concentrated in asset prices, not consumer price inflation—keeping monetary policy too easy. This increase in asset prices has fueled domestic borrowing and spending.

Government policy and the increase in securitization are largely responsible for this bubble. In addition to loose monetary policies by the Federal Reserve, government-sponsored enterprises Fannie Mae and Freddie Mac have contributed to the problem. The fourfold increases in their balance sheets from 1997 to 1998 boosted new home borrowings to more than $1.5 trillion in 1998, two-thirds of which were refinances which put an extra $15,000 in the pockets of consumers on average—and reduce risk for individual institutions while increasing risk for the system as a whole.

The rapidity and severity of changes in economic conditions can affect prospects for individual institutions more greatly than that of the overall economy. The Long Term Capital Management hedge fund is a prime example. New companies start and others fail every day. What is troubling with the hedge fund bailout was the governmental response and the increase in moral hazard.

This increased indication of the government's eagerness to bail out highly-leveraged, risky and largely unregulated financial institutions bodes ill for the post S. 900 future as far as limiting taxpayer liability is concerned. LTCM isn't even registered in the United States but the Cayman Islands!

Government regulations present the greatest threat to privacy and consumers' loss of control over their own personal information. In the private sector, individuals protect their financial privacy as an integral part of the market process by providing information they regard as private only to entities they trust will maintain a degree of privacy of which they approve. Individuals avoid privacy violators by ''opting out'' and doing business only with such privacy-respecting companies.

The better alternative is to repeal privacy busting government regulations. The same approach applies to Glass-Steagall and S. 900. Why not just repeal the offending regulation? In the banking committee, I offered an amendment to do just that. My main reasons for voting against this bill are the expansion of the taxpayer liability and the introduction of even more regulations. The entire multi-hundred page S. 900 that reregulates rather than deregulates the financial sector could be replaced with a simple one-page bill.

TRIBUTE TO THE GRANDMOTHERS OF PLAZA DE MAYO

HON. TOM LANTOS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, November 8, 1999

Mr. LANTOS. Mr. Speaker, I would like to bring to the attention of my colleagues the service and commitment of some outstanding women—the Grandmothers of Plaza de Mayo. After 20 years, this non-profit organization has located 64 disappeared children of Argentina, and helped reunite the victims with their families, allowing them to recover their identity and their history. I want to commend the Grandmothers of Plaza de Mayo on their efforts and their dedication in reuniting children who disappeared during the military dictatorship that ruled Argentina from 1976 to 1983 with their legitimate families.

Mr. Speaker, in 1976, the armed forces of Argentina began a process of systematically violating some of the most fundamental human rights. This despotism resulted in the disappearance of over 30,000 persons, including hundreds of children. The Grandmothers of Plaza de Mayo have used many different tactics to search for these children who disappeared during the brutal tyranny of the military regime. Their primary purpose is to preserve the identity, roots and history of these children, which are the fundamental basis for human dignity.

Fortunately, advances in science and technology have made it possible for these families to be reunited. Blood tests prove, with 99.95 percent accuracy, that a child comes from a particular family. This is a difficult process, for which the professionals and volunteers involved must be commended.

The Grandmothers of Plaza de Mayo have committed themselves to this praiseworthy endeavor. I am grateful for all they have accomplished, and I urge my colleagues to join me in commending them for their outstanding efforts and devotion to the cause of bringing justice to the families who suffered under Argentina's brutal military regime.

MEDICARE, MEDICAID, AND SCHIP BALANCED BUDGET REFINEMENT ACT OF 1999

SPEECH OF

HON. ROGER F. WICKER

OF MISSISSIPPI

IN THE HOUSE OF REPRESENTATIVES

Friday, November 5, 1999

Mr. WICKER. Mr. Speaker, the Balanced Budget Act included provisions to safeguard the long term solvency of the Medicare system, but for a number of reasons the mandated reductions exceeded estimates and provided a lower level of reimbursement than

Congress directed. The Medicare Balanced Budget Refinement Act corrects this problem and restores vital funding to the Medicare program to allow health care providers to meet the needs of their communities.

This important legislation will ease the financial crisis which has threatened the quality of health care service for millions of Americans. I am pleased we have been able to work in a bipartisan fashion to bring relief to the small rural community hospitals which provides the foundation for rural America.

I am hopeful that in addition to the supporting this legislation, the Health Care Financing Administration will make the needed administrative changes to ensure that small rural hospitals will receive adequate Medicare reimbursement. I look forward to working with HCFA and member of both political parties to restore balance to the Medicare system.

THE ARTISTS' CONTRIBUTION TO AMERICAN HERITAGE ACT

HON. AMO HOUGHTON

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, November 8, 1999

Mr. HOUGHTON. Mr. Speaker, I am pleased to join my colleague from Maryland, Mr. CARDIN, together with a bipartisan group of our colleagues, in introducing the ''Artists' Contribution to American Heritage Act of 1999.'' The bill would alleviate an unfairness in the tax law as it applies to charitable donations of property by the taxpayer/creator and significantly enhance the ability of museums and public libraries to acquire important original works by artists, writers and composers, and ensure the preservation of these works for future generations.

Since 1969, the law has provided that the creator of the artistic property is only allowed a charitable deduction equal to the cost of the materials that went into the property. For example, an established artist who donates a painting to the local museum is allowed a deduction for the cost of the canvas, brushes and paint, etc., used to produce the painting. Of course, these amounts are de minimis. There is no real tax incentive to contribute such works of art for the public to enjoy. In fact, the tax law works in the other direction. It makes more financial sense to the creator to sell his or her work. If a collector or art buff buys a painting that appreciates over time, because the artist becomes well-established or was a known and collected artist when the painting was purchased, the collector is allowed a deduction for fair market value when the painting is contributed to the local museum. This is the fairness issue.

There has not always been such disparate tax treatment. Before 1969, the artists/taxpayers received the same treatment—the deduction was based on fair market value. The law was changed, primarily because of the perception that some taxpayers were taking advantage of the law through less than accurate valuations of their charitable gifts.

After the change in 1969, gifts of donor generated art work (paintings, manuscripts, compositions, artistic and historically significant correspondence and papers) to qualifying charitable organizations and governmental entities dropped significantly. Creators were more likely to sell their works than to contribute them. Tom Downey, a former colleague of ours, introduced similar legislation in 1985. In his floor statement he noted that Igor Stravinsky had planned to donate his papers to the Music Division of the Library of Congress the month the 1969 tax change was signed into law. Instead, the papers were sold to a private foundation in Switzerland. Now, 14 years later the situation has not improved. It is time to change our law to encourage rather than discourage such contributions.

There have been significant changes in the valuation process since 1969. All taxpayers making charitable contributions of art work (other than donor generated art work) are required to: (a) provide and/or retain relevant information as to the value of the gift, (b) provide appraisals by qualified appraisers or, in some cases, (c) subject them to review by the IRS's Art Advisory Panel, depending on the dollar amount of the contribution. These changes would apply to creator-donated property under our proposal.

In addition to the valuation safeguards already in the law, our proposal would add additional protections to prevent abuse. These include the following: (a) limiting the value of the deduction to the amount of income the creator received from similar property, (b) providing that the deduction can only be claimed in the year of contribution, i.e., the carryover rules do not apply, (c) limiting the deduction to property created at least 18 months before the contribution, (d) limiting the deduction to gifts related to the purpose of the institution which receives it, and (e) excluding contributions of property (letters, memos, etc.) created by taxpayers in their role as employees or officers of an organization.

The benefit to the nation when artists are encouraged to contribute their work during their lifetime cannot be overemphasized. It allows the public, historians, scholars and others to learn from the artist his/hers aesthetic aims for the work; how it was intended to be displayed, performed, or interpreted; and what influences affected the artist.

Our proposal represents an important step in providing some tax incentive, with needed safeguards, for the creators and moves toward putting them on the same footing as collectors who contribute similar property. Most importantly, it could make the difference in a decision by the creator/donator to contribute some of their created art works to a museum or public library, rather than sell them in the marketplace. That way important works are preserved in the public domain and we all benefit. We urge our colleagues to join us in cosponsoring this legislation.

A TRIBUTE TO JIM COX FOR 30 YEARS AS CITY MANAGER OF VICTORVILLE, CALIFORNIA

HON. JERRY LEWIS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, November 8, 1999

Mr. LEWIS of California. Mr. Speaker, I would like today to recognize the remarkable career of Jim Cox, who came to Victorville, California in 1967 as an administrative assistant, became city manager in 1969 and guided the city in that position for 30 years until his recent retirement.

Jim Cox began his public service—and his time in California—when he joined the Navy at 17 and moved to San Diego to be a medic. He first joined city government as an intern in La Mesa, California, while attending San Diego State College. After serving as assistant city manager of Indio for two years, he went to work in the Mojave Desert hub of Victorville—population 11,290.

He quickly took on increasing responsibility, going from administrative assistant in charge of finance and personnel, to Director of Planning, Assistant City Manager, and finally City Manager in December 1969.

The city budget that year was $750,000. His final budget, submitted this year, was for $72 million, for a city with a population of 63,478.

As one of the longest-serving managers in California, Jim Cox provided a stabilizing influence not only for his rapidly growing city, but also for the entire Victor Valley, whose population has grown ten-fold in the past 30 years. He was instrumental in helping the region weather the closure of George Air Force Base in 1988, and its economic revival over the past 10 years.

Adding to his extensive public service credentials, Cox is a California Redevelopment Association director and on the Revenue and Taxation Committee for the League of California Cities. He is chairman for the Victor Valley Transit Board of Directors and served on the County Formation Review Committee.

He is an instructor with a lifetime teaching credential at California State University, San Bernardino and at Victor Valley Community College. His community activities include the Victorville Chamber of Commerce Board of Directors and Rotary International.

Mr. Speaker, Jim Cox has been justifiably credited with helping Victorville and the Victor Valley grow from a desert hamlet to a vital, successful city in one of the fastest-growing areas of California. Please join me in congratulating him on his years of public service, and wishing him well in his future endeavors.

REPUBLICANS BLOCK DEMOCRATS FROM OFFERING MAJOR IMPROVEMENTS TO MEDICARE

HON. FORTNEY PETE STARK

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, November 8, 1999

Mr. STARK. Mr. Speaker, last Friday, the House passed an okay Medicare improvements bill.

But it could have been much better; it could have helped seniors get a better price for pharmaceuticals; it could have helped low-income women fight cancer; it could have provided more help to providers hurt by excessive cuts in the 1997 Balanced Budget Act. But Republicans blocked any amendments to the bill—they did not want to be embrassed by having to vote against helping seniors with the high costs of drugs.

Following is a letter which 119 Democrats (many more would have signed if we had had more time) sent to the Speaker, outlining our request for amendments to H.R. 3075.

Mr. Speaker, the majority should be ashamed for a legislative gag rule that prevented us from improving this legislation.