

Section 4 is amended to include specifically an exemption for certain professional markets whose participants are recognized under current law. These appropriate persons are described in sec. 4(c)(3) of the CEAct and include futures commission merchants, floor brokers, and floor traders. In light of the exemptions afforded other professional traders by the 1992 FTPA, I believe this language is consistent with congressional intent in this area.

Sections 103 and 104 of the bill enhance the self-regulation of exchange institutions by providing simplified and streamlined contract market designation and rule submission procedures. These are necessary in my view to maintain the competitiveness of our commodity exchanges in a world that has come to understand the importance of risk management on exchanges with sound, but limited, regulatory programs.

These amendments presume a commodity exchange develops sound contracts with economic purposes that are widely recognized and will be used by commercial and speculative interests for price discovery and risk-shifting that have long been viewed in this country and by the Congress as beneficial to our Nation's economy.

Section 105 of the bill seeks to improve commodity exchange audit trails without impairing the functions of the markets. Audit trail issues date from the establishment of the CFTC but have been actively debated in the CFTC's regulatory programs since 1986, when the CFTC proposed a 1-minute, verifiable standard.

Understanding that each commodity exchange has different trade customs and systems unique to each institution means there are numerous ways to obtain adequate, verifiable audit trails. These trade recordation systems have changed dramatically over the years, and U.S. commodity exchanges constantly are improving and upgrading their audit trail systems. The amendment seeks to develop standards that are objective and reasonable.

Section 106 of the legislation provides benefit-cost analysis to the CFTC's regulatory program. Regulation under Republican administrations and new law under this Republican Congress has moved us further in that direction. There is no reason we cannot bring similar sound, reasonable, and fair regulation to our commodity exchanges and preserve the public interest.

Finally, section 107 is a housekeeping matter of interest to the Committee on Agriculture. An objective of the committee during the reform of U.S. agriculture embodied in the Federal Agriculture Improvement and Reform Act of 1996 [FAIR Act] was to use fewer words. The FAIR Act is literally one-half the volume of the 1990 farm bill. With that in mind—and there may be further improvements later—section 107 repeals section 8e dealing with CFTC oversight and deficiency orders. It is my understanding that after the nearly 4 years this section has been law it has never been used. That makes it unnecessary in my view.

I look forward to comments on the legislation and working with interested parties as we proceed with this necessary reform in the 105th Congress.

GAMBLING CREDIT REFORM ACT

HON. JOHN J. LaFALCE

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, October 1, 1996

Mr. LaFALCE. Mr. Speaker, I am today introducing legislation to protect consumers, financial institutions, and taxpayers from the unwarranted use of credit cards for gambling. My legislation the Gambling Credit Reform Act, would prohibit the extension of credit under any open-end consumer credit plan where a creditor knows or has reason to believe that such credit will be used to make a bet or wager, or to play any game of chance in a casino or other gambling establishment.

I was appalled to read recently that the New Jersey Casino Control Commission had approved the use of credit cards for the purchase of playing chips and slot tokens in casinos at Atlantic City. This means that gamblers who run out of cash can obtain more playing chips or tokens with the wave of their hand without even leaving a playing table. Gambling industry experts see this as one of the "most potentially dramatic" changes in gambling in years and one that will result in more impulse gambling and higher revenues for casinos.

The use of credit cards directly to make bets or wagers has never been permitted in this country and with good reason. Allowing gamblers to use credit cards to obtain more chips without leaving a gambling table removes one of the last remaining checks on compulsive or problem gambling—the need to walk away to find more cash to gamble. Permitting the use of credit cards will make it significantly easier for problem gamblers not only to bet all their disposable income, but to tap into available credit lines on one or more credit cards.

This is particularly troubling at a time when our Nation's financial institutions, and credit card banks in particular, are threatened with unprecedented levels of consumer debt and personal bankruptcies. Consumer debt has increased at double-digit rates since 1994 while personal incomes have stagnated. Accumulated consumer debt is now estimated at nearly 85 percent of the Nation's disposable income. Consumer debt service is at a near-record level of 17 percent of disposable income and loan delinquencies are at record levels.

With consumer debt continuing to grow nearly three times faster than income, it is no surprise that a record number of American families will declare bankruptcy this year. If current trends continue, more than 1 million families—or 1 percent of all U.S. households—will file for bankruptcy this year. This represents a 26-percent increase over 1995 and a bankruptcy filing rate equal to one bankruptcy filing every 2 minutes throughout the year.

By almost every account, the primary contributor to these problems has been what Federal Reserve Chairman Alan Greenspan described as the "extraordinary rise" in credit card issuances and debt. Outstanding credit card debt increased 16 percent in 1995, to a total debt of \$454 billion. However, a far greater potential problem comes from the vast, still untapped credit lines already granted to consumers on existing credit cards. Available credit lines increased by 30 percent in 1995,

providing consumers with an additional potential debt of \$1.1 trillion.

It is clear that existing credit card balances are already becoming too much for consumers to handle. More people are late in making their credit card payments than at any time in the past 15 years. And the American Bankers Association reported in mid-September that credit card delinquencies had reached the highest level on record.

Allowing gamblers to use credit cards directly for gambling will only exacerbate these trends. It will lead to greater financial strain and anguish for many American families, increase credit delinquencies and losses at financial institutions, and contribute to potential losses to our deposit insurance system that, conceivably, would have to be covered by taxpayers.

No responsible financial institution would grant a loan to an individual for the purpose of going to Atlantic City to gamble. But this is exactly what we are condoning and encouraging with the use of credit cards. It accentuates the already serious problems of consumer debt and rising bankruptcies and it presents additional and unwarranted risks for financial institutions. My bill will stop these developments before they spread to all forms of gambling throughout the country.

Mr. Speaker, I recognize that there is little chance that this legislation can be considered this year. My purpose in introducing the bill is to give notice that there are Members of the Congress who consider this misuse of credit cards to be unacceptable. I intend to refine this legislation and reintroduce a similar proposal early next year and I hope that, upon its return, the Congress will consider this legislation and enact it into law promptly.

VETERANS' BENEFITS IMPROVEMENTS ACT OF 1996

HON. TERRY EVERETT

OF ALABAMA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, October 1, 1996

Mr. EVERETT. Mr. Speaker, I rise today in support of the Veterans' Benefits Improvements Act of 1996. This House-Senate compromise bill contains program improvements for several veterans benefits, and these provisions will make a difference in the lives of thousands of veterans and their survivors. It is a bipartisan bill and I thank all the Members on both sides of the aisle and both sides of the Chamber for their support.

Section 211 would amend the statute governing burial eligibility to incorporate the regulatory definition of "minor child."

Section 212 would provide burial benefits for approximately 300 of the 2,500 veterans who die in State nursing homes yearly, but do not qualify for priority care in Veterans Health Administration facilities.

Section 213 would authorize VA to issue a voucher equal to the average cost of a grave liner to survivors who elect a burial vault other than the national cemetery system's provided grave liner.

Title four makes change to the administrative functions within the VA Life Insurance Program. Provisions include merging the Retired Reserve Servicemembers' Group Life Insurance and Veterans' Group Life Insurance

programs and extending Veterans' Group Insurance to members of the ready reserve; allowing veterans' group-insureds to convert to a commercial policy at any time; and renaming the Servicemen's Group Life Insurance Program to Servicemembers' Group Life Insurance to make it more gender neutral.

Section 502 would limit the clothing allowance for veterans incarcerated for more than 60 days in a penal institution where they receive clothing at no cost to them.

Section 503 would authorize an additional \$150,000 to the Veterans' Claims Adjudication Commission and extend their final report date to December 31, 1996.

Section 504 would establish a pilot program under which contract physicians would provide disability examinations to applicants for VA benefits. The pilot program is anticipated to speed up the examination-gathering process for the adjudication of claims.

Section 505 would expand the time period that currently defines the beginning of the Vietnam era from August 5, 1964 to February 28, 1961. Benefits would be granted to those eligible veterans that served in theater only from February 1961 thru August 1964 and limit Agent Orange benefits to those who served from January 9, 1962.

Section 506 would allow a surviving spouse to retain compensation or pension payments for the full month instead of the end of the month before the veteran died.

Section 507 would increase the period of time for which accrued benefits are payable to a surviving spouse from 1 year to 2 years. These are spouses of veterans who die while their claim is being adjudicated. This provision is the result of the committee recognizing the length of time it takes VA to adjudicate claims.

Section 508 clarifies that a power of attorney applies to a veterans service organization as a whole unless the veteran designates one person specifically.

Section 509 would allow the Board of Veterans' Appeals to provide a copy of a decision to a veteran or veterans' representative by any means where delivery would be at least as fast as it would be if mailed via the U.S. Postal Service.

Section 602 would authorize the American Battle Monuments Commission to accept private funds to help maintain those overseas war memorials that are transferred to their care.

I am very pleased with the program improvements we are able to offer today. During these fiscally conservative times, we must not forget our veterans and the sacrifices they made on our behalf. I thank the ranking member LANE EVANS, for his hard work on behalf

of this impressive benefits package and urge my colleagues to support the bill.

Lastly, I would like to take this final opportunity of the 104th Congress to publicly commend Chairman BOB STUMP and ranking Member SONNY MONTGOMERY for providing the sound bipartisan leadership that is always evident on the VA Committee. The reputation the two of you have within the veterans' community is stellar and one I hope to live up to.

A TRIBUTE TO PRESIDENT LEE
AND TAIWAN

HON. DAVID FUNDERBURK

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, October 1, 1996

Mr. FUNDERBURK. Mr. Speaker, President Lee Teng-hui of the Republic of China is a modern day giant. He is the first popularly elected President in the history of the Republic of China and has introduced and implemented a number of political reforms in Taiwan.

In the area of his country's foreign relations, President Lee has developed official ties whenever possible, upgraded existing nonofficial relations, and sought to participate in major organizations. In the early 1990's, President Lee deputized his former Foreign Minister Fredrick Chien to devise a strategy known as pragmatic diplomacy, the exercise of which was so successful that it culminated in President Lee's visit to Cornell University in June 1995.

The People's Republic of China was so alarmed by President Lee's visit that it staged a series of missile tests around the island, the most serious being conducted right before Taiwan's Presidential elections in March 1996.

Pragmatic diplomacy paid off for President Lee Teng-hui. In a paper presented at the 14th International Conference on Asian Studies at St. John's University, NY, Professor Nathan Mao gave a detailed analysis of President Lee Teng-hui's visit to the United States and his Presidential diplomacy. I hereby submit the conclusion of Professor Mao's article in the CONGRESSIONAL RECORD for the future reference of students of Chinese history and politics.

In the ever changing post Cold War period, Taipei has been changing with the world. It has banished its old rigid inflexibility. Mainland China too must learn to bend, to change its old mindset about Taiwan being a province. Taiwan has never been under People's Republic of China's jurisdiction.

Lee Teng-hui's presidential diplomacy has proven successful beyond anyone's imagina-

tion. It has earned him a strong mandate from his people and firmed up his image as a strong leader, undaunted by China's threats. He enjoys firm United States support and even grudging respect from a few mainland Chinese leaders. His pragmatic diplomacy has brought Taiwan many visible and concrete rewards. But events are also rapidly changing in China. No one can give an accurate assessment about the power struggle in the Mainland. China shows evidence of instability. It has numerous corruption problems and there is a power struggle among the leadership. There are conflicts between the central and provincial governments and conflicts between rich and poor provinces. China has its own daunting problems.

Since pragmatic diplomacy has worked for Taiwan so far, there is no real reason to abandon or radically modify it. Using Foreign Minister John H. Chang's counsel, President Lee has gained sufficient wisdom to deal with Taiwan's untractable adversary: Jiang Zemin and company in Beijing.

TRIBUTE TO THE HONORABLE
STEVEN GUNDERSON ON HIS RE-
TIREMENT

HON. G.V. (SONNY) MONTGOMERY

OF MISSISSIPPI

IN THE HOUSE OF REPRESENTATIVES

Tuesday, October 1, 1996

Mr. MONTGOMERY. Mr. Speaker, today I would like to recognize one of my good friends, the Honorable STEVE GUNDERSON. His office is just down the hall from mine and we have often passed each other in the hallways on our way to the House floor for votes.

His time spent on the Agriculture Committee and as chairman for the Dairy and Poultry Subcommittee has not gone unnoticed. He is widely respected in the House for his stand on agriculture issues. He worked hard to see that the 1995 farm bill that passed this year would be beneficial to all, and over the years, I have come to depend on the advice of Representative GUNDERSON in these matters.

He has spent his 14 years in Washington trying to find a balance between cutting expenses and ensuring the future of our children. As a member of the Economic and Educational Opportunities Committee, he has been successful in seeing that our children receive an education that will help them throughout their life.

So, good luck in all your future endeavors. Washington and the House of Representatives will miss you.