AUTHENTICATED U.S. GOVERNMENT INFORMATION GPO

There is more to be done to ensure that national energies and resources, both in the government and in the private sector, are directed at solving and avoiding problems rather than preparing for and fighting litigation. That is in the best interest of American families.

In addition, we need to make sure that America's high technology industry, one of the fastest growing and most important sectors of our economy, creating millions of good jobs for working Americans, is not bankrupted as a scapegoat for a problem set in place decades ago.

Mr. Speaker, there is much to do next year, but today, this is the right first step. I encourage all of my colleagues to support this truly bipartisan bill so that it can be sent to the President and we can begin to eliminate one of the hurdles to solving the potential Year 2000 problem.

Mr. DOYLE. Mr. Speaker, I rise to urge my colleagues to support this important effort to deal with the Year 2000 computer problem.

This bill is the Senate counterpart to a House bill, H.R. 4355, that I was pleased to cosponsor on behalf of the Administration. This bill has now been amended to represent a bipartisan agreement on how we can encourage companies to pool their information as they deal with the Y2K problem.

At the same time, this bill would not shield companies from liability for products that fail.

I'd like to commend the fine men and women from the House and Senate authorizing Committees who have put so much hard work into this issue over the past few years, as well as the many people in the Administration who have been working this for a long time as well.

When taken together, I'm pleased to be able to say that this bill shows that the important work of governing in Washington is still going on. There's still a lot of work to be done to make the Year 2000 computer fix happen, and it's going to take more of this kind of cooperation to get it done. Again, I'd like to thank my colleagues who've put in so much hard work on this bill, and I urge all the rest of us to support it.

The Senate bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. GOODLATTE. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on S. 2392, the legislation just passed.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Virginia?

There was no objection.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. The Chair will recognize special orders without prejudice to resumption of business.

□ 1730

WORLD FINANCIAL MARKETS

The SPEAKER pro tempore (Mr. EVERETT). Under a previous order of the House, the gentleman from Texas (Mr. PAUL) is recognized for 5 minutes.

Mr. PAUL. Mr. Speaker, the world financial markets have been in chaos now for nearly a year and a half. The problem surrounding long-term capital investment is only one more item to add to the list. The entire process represents the unwinding of speculative investments encouraged by years of easy credit. By the way, Long Term Credit Management is not even an American corporation. It is registered in the Cayman Islands, I am sure for tax purposes.

The mess we are witnessing in the world today was a predictable event. Artificially low interest rates and easy credit causes malinvestment, overcapacity, excessive borrowing and uncontrolled speculation.

We have had now for 27 years a world saturated with fiat currencies and not one has had a definable unit of account.

There have been no restraints on the world monetary managers to expand their money supplies, fix short-term interest rates or deliberately debase their currencies. Although.

Short-term benefits were enjoyed, it is clear now they were not worth the resulting chaos. We need not look for the cause which puts the dollar, our economy and our financial markets at risk. The previous boom supported by the illusion of wealth coming from money creation is the cause of current world events, and it guarantees further unwinding of the speculative orgy of the past decades.

This cannot be prevented. All that we can hope for is to not prolong the agony, as our monetary and fiscal policies did in the U.S. in the 1930s and as they are currently doing in Japan and elsewhere in the world.

More Federal Reserve fixing of interest rates and credit expansion can hardly solve our problems when this has been precisely the cause of the mess in which we currently find ourselves.

Price fixing of interest rates contradicts the basic tenets of capitalism. Let it no more be said that today's mess with financial markets is a result of capitalism's shortcomings. Nothing is further from the truth. Allowing the market to operate even under today's dangerous conditions is still the best option for dealing with hedge fund's gambling mistakes, both current and future.

A Federal Reserve orchestrated and arm-twisting bailout of LTCM associated with less than a coincidentally announced credit expansion only puts long-term pressure on the dollar. All Americans suffer when the dollar is debased. Congress's responsibility is to the dollar and not foreign currencies, not foreign economies or international hedge funds which get in over their heads.

No amount of regulation could have prevented or in the future prevent the inevitable mistakes made in an economy that is misled by rigged interest rates or a money supply dictated by central planners in a fiat money system. Hedge fund operations, because they are international in scope, are impossible to regulate and for the current ongoing crisis it is too late anyway.

Credit conditions that allow a company with less than $1 billion in capital to buy $100 billion worth of stock with borrowed money and manage $1.2 trillion worth of derivatives is about as classic an example as one could ever find of speculative excess brought on by easy credit. As long as capital is thought to come from a computer at the Federal Reserve and not from savings, the financial problems the world faces today will persist.

Our problems today should not be used to justify a worldwide central bank, as has been proposed. What we need is sound money without the central planning efforts of a Federal Reserve system fixing interest rates and regulating the money supply. Let us give freedom a chance.

ON EDUCATION

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from California (Mrs. CAPPS) is recognized for 5 minutes.

Mrs. CAPPS. Mr. Speaker, we will vote later this week to reauthorize the Higher Education Act. This is bipartisan legislation at its best. It will open the doors of opportunity to millions of young people. Increasing financial aid will bring the priceless advantages of college education to many who now cannot afford it.

I am very proud of this bill, proud to be a cosigner, but it is not enough. In order for our children to excel in higher education, we must ensure that they have acquired a solid academic foundation in their elementary and secondary schools. Sadly, this Congress has paid little or no attention to the issues plaguing elementary and secondary education. After I was elected in March, I surveyed the schools in my district. The findings were shocking. They showed skyrocketing enrollments, overcrowded classes, aging buildings, inadequate classrooms and poor facilities in general.

My survey called out for more classrooms, more teachers, more access to technology.

Sadly, these problems are nothing new. My own daughter attended Santa Barbara's Roosevelt Elementary School where she spent all of her elementary years learning in portable classrooms, which are supposed to be a temporary solution. In fact, I just recently visited Cambria Grammar School in San Luis Obispo County, where they do not even have enough portable classrooms to begin to deal with their overcrowding problem.

And at El Camino Junior High School in Santa Maria, the students are crammed into their classrooms and do not even have access to a gymnasium. After spending 20 years myself