the FDIC and the GAO for more substantial analysis of this important issue.

I do believe, however, that it is important to clarify that the 1.25 ratio is not an absolute and precise target. It should be viewed as a floor, with some limited discretion available to the FDIC to maintain a cushion above that level without permitting an excessive build-up. I believe it is excessive to require that the FDIC establish significant risk of substantial future losses to the fund for the year before being permitted to increase the reserve even very modestly above that level.

Chairman Helfer has made a convincing argument that the FDIC should refocus its mission, seeing its role less as resolving failed institutions and more as anticipating future problems. I believe there is overwhelming merit in that argument. Economic conditions change, as do the risks posed by bank portfolios. If the FDIC is to effectively play that new role, it must have some flexibility. There have in fact been recent indications that bank investment strategies have changed, some of the sources fueling bank incomes will not continue to be available over the long-term and some banks might be at risk in an economic downturn. We cannot ignore the lessons of the past.

We must however balance concerns about protecting depositors with the need to increase credit availability. Money going into an insurance fund is not going to consumers. I believe the FDIC should proceed to reduce bank premiums substantially, as planned, once the BIF reaches the 1.25 ratio set under current law. If a further cushion is deemed prudent, it can be built up gradually without impeding the near-term reduction.

2. FDIC DISCRETION

I also believe it is time to examine the issue of FDIC discretion more broadly. As Chairman Helfer has emphasized, the FDIC is precluded by a variety of statutory provisions from addressing the problems it has identified on its own authority. I would not casually give congressional authority over to a regulatory agency. However, I believe that some of the strictures under which the FDIC is currently operating are excessive and unnecessary. One of the legislative options I suggest would clarify or expand the FDIC's regulatory authority in a number of regards: provide it with greater authority to administer the FICO bond obligation; modify the certification requirements; provide discretionary authority to impose a modest special assessment on thrift institutions to frontload the capitalization of the fund; provide greater discretion to maintain a small cushion beyond the target reserve ratio in each fund; and provide limited authority to transfer resources between funds.

The last item may be particularly controversial. But that does not mean we should not examine it. In general, I concur that the premium levels for each fund should be set independently. However, the job of the FDIC is not to manage two funds. It is to manage a deposit insurance program and protect depositors of both banks and thrifts. It cannot do so effectively if its hands are tied so that it is forced to explicitly ignore the impact that the status of one fund has on the members of the other. The FDIC should have some flexibility to address that problem.

E. POSSIBLE PROBLEMS POSED BY GOODWILL CASES

Some of the bills I have introduced address the issue of creating a reserve to have available should adverse judgments against the Government be made in the pending goodwill cases. These cases point out yet again that the consequences of FIRREA are with us still.

In the 1980's, some healthy thrift institutions entered into contracts with the Government under which they purchased failed or failing thrift institutions the then thrift insurance fund—FSLIC—did not have the funds to resolve. Since the Government could not make depositors whole by covering the loss, the acquiring institutions were instead permitted to count as tangible capital for a limited period of time an intangible asset called ''supervisory goodwill'' which they were to work off their books over time, thus absorbing those losses slowly.

In FIRREA, supervisory goodwill was no longer permitted to count as tangible capital and institutions holding this asset were required to remove it from their books precipitously. I never questioned that the Government could break these contracts. But I consistently argued that it could not do so without being subject to damages. Recent court cases indicate the courts have considerable sympathy for my argument. The FDIC has already paid out claims on two such cases; many others are pending. Rulings adverse to the Government could cost the taxpayer additional billions.

Again, this is a problem we should have anticipated. I argued that an undue emphasis on being tough on the thrift industry in FIRREA would result in yet greater cost to the taxpayer in the long-term, and argued against the rapid imposition of the new standards, unfortunately to no avail. The possibility I foresaw may unfortunately now become a reality.

It is sometimes cost effective to be temperate, and I hope the lessons of the past will help encourage some temperance as we deal with current problems.

V. CONCLUSION

The problems are real, and I believe we have an obligation to address them now. It is my hope that placing some more specific options on the table will generate useful information, reactions, discussion, debate, and then, resolution.

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from Texas [Ms. JACKSON-LEE] is recognized for 5 minutes.

[Ms. JACKSON-LEE addressed the House. Her remarks will appear hereafter in the Extension of Remarks.]

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Vermont [Mr. SANDERS] is recognized for 5 minutes.

[Mr. SANDERS addressed the House. His remarks will appear hereafter in the Extension of Remarks.]

CALL FOR CLARIFICATION OF ETHICS COMMITTEE'S RULES

The SPEAKER pro tempore. There being no designee of the majority leader, under the Speaker's announced policy of January 4, 1995, the gentleman from New Jersey [Mr. TORRICELLI] is recognized for 60 minutes as the designee of the minority leader.

Mr. TORRICELLI. Mr. Speaker, several weeks ago in one of those moments that comes to define an individual's values and sense of responsibility, several members of the executive branch came to me with extraordinary information. It was revealed to me that several years ago an American citizen in Guatemala was murdered by a contract employee of the Central Intelligence Agency. It was further revealed to me that in the years that passed there was a conscious effort to prevent that information from being known. Indeed the person responsible for the murder of an American citizen was never brought to justice. This was, Mr. Speaker, a difficult moment because I recognized the importance of maintaining confidentiality of sources of intelligence information, and indeed, as a member of the Intelligence Committee, I signed an oath not to reveal classified information. It was my judgment to ascertain from the Intelligence Committee confirmation that I never participated in classified briefings and had never received classified information with regard to Guatemala. This was a measure of how seriously I took my oath to preserve confidentiality.

I then proceeded to consult with the ranking member of the Committee on International Relations where I serve and with the minority leader, the gentleman from Missouri [Mr. GEPHARDT], to receive their advice and good counsel before proceeding in writing to the President of the United States to reveal this rather extraordinary information. Their counsel was that I should be guided by my own sense of ethics and responsibility, but proceed in informing the President and the American people.

In the days that have followed this country has learned a good deal. Indeed the President and this Congress have learned a great deal about activities of the Central Intelligence Agency in Guatemala, their adherence to the law,

the intelligence community's sense of responsibility, informing the President and this institution.

In more recent days the Speaker of the House and the chairman of the Permanent Select Committee on Intelligence have raised the issue that while indeed I may never have participated in classified briefings or had classified information as a member of the Intelligence Committee, that since the 103d Congress each Member of this institution has also had a separate oath not to disclose classified information. That oath is no less serious. It is, however, in my judgment, under these circumstances, where the issue is criminal activity on behalf of an intelligence agency of this Government, that involves a question of the taking of life and a felony, and potentially concealing that information from law enforcement authorities; that oath is in direct conflict with the oath every Member of this Congress also takes as prescribed in the Constitution of the United States to adhere to the Constitution and the laws of the United States. It also is in direct conflict with the statutory responsibility of every American citizen to uphold the laws of our country and not to engage in conspiracies, to maintain silence in the face of criminal activity or indeed take any action that would maintain silence regarding those activities. It also in my judgment is in conflict, Mr. Speaker, with the basic ethical responsibility of Members and their duty to reveal illegal activities and the inherent oversight responsibilities of the U.S. Congress to assure that the agencies of this Government are adhering to the laws.

Finally, Mr. Speaker, in my judgment, in this day while the majority is celebrating the conclusion of the 100 days of their Contract With America, invites the most ironic conflict of all. On the 1st day of this 104th Congress on a bipartisan basis this Congress came to the judgment that we would live by the laws that govern all other Americans. All other Americans have a duty, Mr. Speaker, not to conceal criminal activity, to take no action to further a criminal conspiracy.

Mr. Speaker, when I faced the ethical dilemma of whether to disclose the murder of an American citizen by a contract employee of a member of the Central Intelligence Agency, I was guided by my oath as a Member of this institution as prescribed by the Constitution of the United States, the statutes of this country governing the duty not to participate in concealing criminal activity, by my own ethical sense of responsibility as a citizen of this country, and finally by my duty to abide by the laws that govern all other Americans. I do not, however, make light of the speaker's observation that there is an obligation for these last 2 years to also, as a Member of this institution, not to disclose classified information, though I do so while vigorously denying, as I think is now beyond question, that I never did receive classified information as a member of the Intelligence Committee and am, therefore, not in violation of this separate and distinct oath.

Recognizing that there is this conflict of judgment between my interpretation and interpretation shared by the minority leader, Mr. GEPHARDT, and, I believe, many Members of this institution and the public, and a judgment that appears to be shared by the Speaker of the House, Mr. GINGRICH, and the gentleman from Texas, Mr. COMBEST, I have informed Mr. GINGRICH and Mr. COMBEST of my intention to write to the Ethics Committee on this day, inform them what I believe is a legitimate conflict of laws and obligations, that I should receive, and this institution should receive, some guidance in what I think is a clear conflict of responsibility between those oaths and the governing authorities and that the Ethics Committee should reach some judgment, if only for guidance purposes, because the conflict that I received, the conflict in which I found myself, is unlikely to be the last time a Member of this institution faces exactly the same circumstances.

Mr. Speaker, while I welcome the Ethics Committee's addressing of this issue, I want finally to simply say to my colleagues on both sides of the aisle that reforming government, the new relationship this Congress seeks with the American people is not simply about reforming budgets or governmental programs. The most important reform that this Congress requires to restore faith to the American people is to tell the truth. If we cannot tell the truth to the American people, when one of our own citizens is murdered, in violation of our laws, by an intelligence community that is operating at variance with our national purpose, when there has been a clear conspiracy to prevent the truth from being known, and our Government has not proceeded with the prosecution of the person who was known and is responsible, Mr. Speaker, how can we ever keep faith with the American people?

□ 1145

I know that people take issue with my own moral judgment in this instance, but I believe on reflection they will find that in the final analysis I had no choice, and that to keep faith with the American people, my colleagues who find themselves in the same dilemma in the future would do best for our country and this institution to do the same.

Mr. Speaker, there are times in the life of this country, and indeed in any republic, when no matter how noble our purposes, there are compromises that must be made. The first obligation of any free people is to preserve their system of government and their freedom.

There are times of great international struggle, and indeed of the cold war, when it was necessary for our Nation to compromise some of our most important principles. We did things and we made agreements with people, we compromised judgments, because we had no choice. Indeed, in some instances that will still be the case. But no one can argue that the struggle in Guatemala requires a compromise that involves shielding the murder of an American citizen.

Indeed, when this controversy passes, I hope if nothing else is achieved, it is that this Congress and this President face the threshold issue that there simply in nations like Guatemala, in places that were the battleground of the cold war, no great issue is at stake that involved the expenditure of our national treasures, the compromise of principles, or the taking of lives, of Americans or others, for what are certainly internal struggles with legitimate purposes by other nations that do not involve the United States.

I do not take issue with clandestine, covert operations or contract relationships in foreign intelligence or military services when it involves the security of the United States. But I do take issue with doing so when our national security is not involved, and when the laws of this country are violated.

We were not protecting the security of the United States by maintaining secrecy in Guatemala. We were protecting the Central Intelligence Agency from the laws of the United States and embarrassment by our own people.

Mr. Speaker, we did not come to this institution as Members, Democrats or Republicans alike, to defend an agency of this Government. We came here to protect the interests of the American people. Whether the Central Intelligence Agency long endures, whether it exists decade to decade, is of no great moment. What matters is whether the people of this country keep faith with this Government. Lying to our people, covering the crimes of any agency of this Government, will not keep faith with our people.

I know that different Members in the same circumstances may have reached a different judgment. I did what I thought was right, I did what I think is consistent with the laws of our country, my oath of office under the Constitution of the United States, in keeping with what I think are the great traditions of our country and the desires of my constituents. In that I make no apology.

But I do ask now that the Speaker, the chairman of the committee, join with me and the minority Members of this institution in seeking guidance from the Committee on Ethics to assure that we have a common understanding of how to deal with this conflict of oath and this ethical question in the future.

Mr. Speaker, I thank you for this opportunity, and yield back the balance of my time.