Congress to examine the need for legislation modernizing and rationalizing our scheme of securities regulation to promote investment, decrease the cost of capital, and encourage competition. The Managers have sought to achieve these goals while also advancing the historic commitment of the securities laws to promoting the protection of investors. In particular, the system of dual Federal and state securities regulation has resulted in a degree of duplicative and unnecessary regulation. Securities offerings and the brokers and dealers engaged in securities transactions are all currently subject to a dual system of regulation that, in many instances, is redundant, costly, and ineffective.

During the course of consideration of this legislation, the Congress received testimony indicating that this duplicative regulation tends to raise the cost of capital to American issuers of securities without providing commensurate protection to investors or to our markets. Testimony also indicated that technological change has transformed the capital raising process, necessitating changes in the regulatory scheme to facilitate the flow of information to potential investors and reduce the marginal cost of capital to firms. The Managers have sought to eliminate duplicative and unnecessary regulatory burdens while preserving important investor protections by reallocating responsibility over the regulation of the nation's securities markets in a more logical fashion between the Federal government and the states.

With respect to securities offerings, the Managers have allocated regulatory responsibility between the Federal and state governments based on the nature of the securities offering. Some securities offerings, such as those made by investment companies, and certain private placements are inherently national in nature, and are therefore subject to only Federal regulation. Smaller, regional, and intrastate securities offerings remain subject to state regulation. The Managers have preserved the authority of the states to protect investors through application of state antifraud laws. This preservation of authority is intended to permit state securities regulators to continue to exercise their police power to prevent fraud and broker-dealer sales practice abuses, such as churning accounts or misleading customers. It does not preserve the authority of state securities regulators to regulate the securities registration and offering process through commenting on and/or imposing requirements on the contents of prospectuses or other offering documents, whether prior to their use in a state or after such use. The Conference Report requires the SEC to conduct a study on the lack of uniformity in state regulation of non-covered securities. Such study shall focus on the effect of such uniformity or lack thereof on the cost of capital, innovation and technological development in securities markets, and duplicative regulation with respect to securities issuers, including small business.

The National Securities Markets Improvement Act of 1996 eliminates burdens and enhances innovation and efficiency for investment companies. Among these changes are provisions to facilitate the creation of funds, including funds of funds comprising unit investment trusts, to facilitate and streamline the registration process for investment companies, and improve the efficiency and usefulness of investment company advertising. In addition, the legislation grants the Securities and Exchange Commission additional authority regarding investment company books and records, and the preparation of shareholder reports. This authority is limited, however, and permits the Commission only to examine records that the Commission requires investment companies to maintain for inspection. The legislation does not grant the Commission authority to inspect any other documents that an investment company may maintain.

The Managers agreed to include amendments to the Securities Act of 1933, and the Securities and Exchange Act of 1934 to eliminate duplication, promote efficiency and protect investors.

The Managers agreed to include amendments to the Investment Company Act of 1940 to eliminate duplication, promote efficiency and protect investors.

The Managers agreed to include reauthorization of the SEC to reauthorize the Commission, and to reduce over time the fees collected by the agency. It is the intent of the Managers that at the end of the applicable ten year period, the SEC collect in fees a sum approximately equal to the cost of running the agency.

The Managers agreed to include certain amendments to the Investment Advisers Act of 1940 to eliminate duplication, promote efficiency, and protect investors.

TOM BLILEY,
JACK FIELDS,
MICHAEL G. OXLEY,
BILLY TAUZIN,
DAN SCHAEFER,
NATHAN DEAL,
DAN FRISA,
RICK WHITE,
JOHN D. DINGELL,
EDWARD J. MARKEY,
BART GORDON,
ELIZABETH FURSE,
RON KLINK,
Managers on the Part of the House.

ALFONSE D'AMATO,
PHIL GRAMM,
ROBERT F. BENNETT,
PAUL S. SARBANES,
CHRIS DODD,
Managers on the Part of the Senate.

CONFERENCE REPORT ON H.R. 3005, NATIONAL SECURITIES MARKETS IMPROVEMENT ACT OF 1996

Mr. BLILEY. Mr. Speaker, I move to suspend the rules and agree to the conference report on the bill (H.R. 3005) to amend the Federal securities laws in order to promote efficiency and capital formation in the financial markets, and to amend the Investment Company Act of 1940 to promote more efficient management of mutual funds, protect investors, and provide more effective and less burdensome regulation.

The Clerk read the title of the bill.

(For conference report and statement see immediately preceding proceedings of the House.)

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Virginia [Mr. BLILEY] and the gentleman from Massachusetts [Mr. MARKEY] each will control 20 minutes.

The Chair recognizes the gentleman from Virginia [Mr. BLILEY].

(Mr. BLILEY asked and was given permission to revise and extend his remarks.)

Mr. BLILEY. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, it is with great pleasure that I rise in support of the National Securities Markets Improvement Act of 1996 today. This important legislation represents the most sweeping changes of the securities laws since their enactment. This legislation will eliminate unnecessary regulatory burdens and the costs that they impose on American businesses and investors. This legislation, at long last, makes sense of the regulatory responsibilities of the federal and state governments. It also is a bipartisan reduction of the fees paid by investors to the Treasury, which will reduce the size of our federal government. This landmark bill has been achieved through the cooperation of all of my colleagues of the House and Senate. Their ability to set aside their differences and reach sensible compromises is the reason we are here to mark this bipartisan legislative victory, and for that I thank each one of them.

I am proud to say that this legislation represents an agreement that reduces SEC fees through bipartisan support. The SEC currently collects more than double the costs of running the agency. This is a tax on capital that all investors pay, and a problem that this legislation will solve by substantially reducing the registration fee over time that is assessed on securities offerings. Not only will we put $850 million back into the pockets of American investors over the next 10 years, but we have eliminated the tax entirely starting in the 11th year, saving investors over $800 million each year thereafter. This is a vital step toward reigning in government spending and requiring Congress to be more fiscally responsible while striving for maintaining a balanced budget.

This legislation is the result of a long and difficult process, but it is well worth the effort. By reducing unnecessary regulation, the burdens and costs that businesses must overcome to access the capital markets will be significantly reduced. The most significant change this Act will effect is to create a national unified system of regulation. Securities offerings that are national in character, including securities offered by mutual funds and securities sold to sophisticated investors, will now be regulated only by the SEC.

By streamlining the regulation of the mutual fund industry, funds will benefit from significant administrative savings, which they can pass on to their investors. This means that we are putting money back in the pockets of nearly one third of American families This is real savings that is long overdue and is a result of a more logical and efficient approach to regulating the securities markets.

This legislation includes a creative new provision that will promote the capital formation process by increasing opportunities for private investment companies and venture capital firms. This new provision will enable these companies to include an unlimited number of qualified investors, rather than the 100 person limit they are subject to today. By increasing the domestic venues available to investors, we will help expand our investment capital. This will improve liquidity in this valuable market that many small business depend on for the capital they need to expand and create new jobs.

Furthermore, the National Securities Markets Improvement Act will require the SEC to conduct meaningful cost-benefit analysis of proposed rulemakings that directly affects all securities issuers. Under this new provision, the SEC must weigh the cost of every rule they propose against the burden those rules would impose on the engine of our economy. This provision is simply common sense: meaningful regulation should not impose unnecessary burdens and costs.

By passing this legislation today, we will be sending a bill to the President that facilitates the American dream without compromising the integrity of our markets. The cooperation and compromise that has led us to this consensus legislation speaks volumes for every participant in this process, and I urge you to support this legislation.

I would like to thank my friend FRITZ HOLLINGS for his assistance in finding a solution of SEC funding, my colleagues in the House, JACK FIELDS, JOHN DINGELL, ED MARKEY, MIKE OXLEY, BILLY TAUZIN, DAN SCHAEFER, DAN FRISA, RICK WHITE, NATHAN DEAL, RICK BOUCHER, and RON KLINK who have all worked hard to achieve this victory.

Mr. Speaker, this is the first major overhaul of securities law in 60 years. It is a good bill, it is a bipartisan bill, and I want to commend, first of all, the chairman of the subcommittee, the gentleman from Texas [Mr. FIELDS]. This will be his last bill on the floor. He did yeoman work. And I want to commend the gentleman from Massachusetts [Mr. MARKEY] without whose help we would not be here right now. He and Mr. FIELDS worked together, we produced a bill that passed out of this House with 408 votes, it went to the other body, they passed theirs. We went to conference, and we did not get everything we wanted, as all of us know in the legislative process we do not do.

But I must say this. The gentleman from Massachusetts, the gentleman from Michigan, have been true statesmen. We have worked together. This is good policy, it is good for the Nation, and while we did not get everything we wanted, we have pulled together, and I would hope that we would pass this bill overwhelmingly.

Mr. Speaker, I reserve the balance of my time.

Mr. MARKEY. Mr. Speaker, I yield myself as much time as I may consume.

Mr. Speaker, I seek recognition at this time so that I can properly recognize the work of the gentleman from Texas [Mr. FIELDS]. This is Mr. FIELDS' last bill out here on the floor of Congress, and it is indeed a historic bill. Paired with the telecommunications bill which passed the Congress in February of this year, this historic securities bill represents the other historic landmark legislation which has passed the Congress and will be signed by the President during the 2-year tenure of Mr. FIELDS as chairman of this committee.

Mr. Speaker, I would like all of the Members to pay recognition to the gentleman from Texas [Mr. FIELDS] at this time for the tremendous work which he has done.

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Mr. Speaker, JACK is more than a congressman and chairman to me; he is my good friend as well. That is why the gentleman from Michigan [Mr. DINGELL] and I and all the Members on our side have had such a wonderfully productive working relationship with him.

Mr. Speaker, there are a lot of good things in this bill, especially in the mutual funds area, where we are overhauling 50 year's worth of law, reforming it so it reflects now the new financial marketplace that has been constructed over the last 10 or 15 years in this country and around the globe.

It includes an 800 number that individual investors can call in order to find out what the record is of the investment advisers that are seeking the business of individuals with their life savings.

It includes much that is good, Mr. Speaker. That is largely a tribute to the gentleman from Texas [Mr. FIELDS]. I know that I join with all Members in standing here this evening in praise of his work, and in knowing that this final bipartisan effort is something that is in fact indicative of the way in which he conducted his subcommittee.

Mr. Speaker, I want to praise, as well, the gentleman from Virginia [Mr. BLILEY] and the gentleman from Ohio [Mr. OXLEY]. They, along with the Members on our side, worked together patiently over the last year and a half toward the construction of this historic legislation, and I cannot tell the Members tonight how proud I am to be part of the team that brings it out here to the floor.

Mr. Speaker, I reserve the balance of my time.

Mr. FIELDS of Texas. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, very seldom do I actually come to the floor; very seldom have I, in the 16 years I have been in Congress. I have always enjoyed working in the committee and making whatever contributions that I can.

I think it is somewhat ironic that tonight, the last night of my legislative career here in the House, I am fortunate to have before the body, with my colleagues, a piece of legislation that is truly historic, that is truly landmark. I certainly appreciate the indulgence of our colleagues as we pass this particular piece of legislation.

Mr. Speaker, I have to say this has been a long process. I want to begin by thanking the staff. We usually tend to thank the staff at the very end, but I want to thank Linda Rich, David Cavicke, Brian McCullough, J.D., Charles, Steve Cope, Tim Forde, Jeff Duncan, Consuela Washington, Christy Strawman on my staff.

Without all of these people, we would not have been able to put this massive reform together, because this reforms the 1934 Securities Act and the 1940 Investment Company Act, so this is truly landmark legislation.

Mr. Speaker, I would be remiss if I did not begin by recognizing the work of the chairman, the gentleman from Virginia, Mr. BLILEY, saving $850 million over a 10-year period in fees for the financial industry; the work of the gentleman from Ohio, MIKE OXLEY; the work of the gentleman from New York, DAN FRISA; the work of someone who I admire as much as anyone in the House of Representatives, the person that many of us consider to be our mentor, even though he is on the other side of the aisle, the gentleman from Michigan, JOHN DINGELL.

I have really saved one person for last, Mr. Speaker. I am not, in my last speech, going to be outgracioused by the gentleman from Massachusetts [Mr. MARKEY]. But before I pay the accolades to the gentleman from Massachusetts, it is important that this House have perspective.

EDDIE and I really began to work on this product last year. We attempted to get some help from the other side of the Capitol. I have to point out to my colleagues that we did not have much engagement from the other side of the Capitol until this week, but it is important to recognize that the foundation for this bill, and I think that it is an example for the House, occurred several months ago, when the gentleman from Massachusetts, ED MARKEY, and I met in my office to talk about our commonality, what was in a bill that had been introduced. We did not focus on our differences. If we did, we could have stopped the process right there.

But instead, we talked about what was good for the consumer, the investing public, to make sure that the safeguards that have given us the strongest financial markets in the world with the highest integrity, that that would never be compromised. Everything that is in this piece of legislation started that night.

From that night, we had improvements made at the subcommittee, made at the full committee, even here on the floor. We did go into a conference with the Senate. I think we are fortunate to be able to report that that conference concluded. But again, I want to point out, particularly to my colleagues on this side of the aisle, that if it had not been for my friend and my colleague looking for commonality and looking to do the right thing for the investing public, the gentleman from Massachusetts, we would not be standing here.

I have to tell the Members, in all candor, the U.S. Senate was more of an obstacle than an asset in this particular process. It would have been very easy for my friends on this side of the aisle to say that an agreement that we had originally reached, a good agreement, that agreement was gone. But they did not walk away. None of us are completely happy with everything that is in this bill, or some things that are not here, but I know I have a commitment from my friend, and in talking to my friends on this side of the aisle, to continue to work next year for anything that we think needs to be added, any deficiencies that might be there.

Having said that, Mr. Speaker, let me come back to the substance of this particular piece of legislation. We bring the financial markets of this country into the 21st century. We end regulation in its duplicative sense that is

needless and costs money wastefully, but we do not compromise investor protection.

What the chairman said just a moment ago, the gentleman from Virginia [Mr. BLILEY], this is a bipartisan consensus product. This is my final legislative act. This will be one of my last votes. We all hope that it is an oral vote. We plan for it to be an oral vote. But we are proud of what we have been able to do in working together. Mr. Speaker, I am very proud that this is my last legislative act that I bring to the floor.

Mr. OXLEY. Mr. Speaker, will the gentleman yield?

Mr. FIELDS of Texas. I yield to the gentleman from Ohio.

(Mr. OXLEY asked and was given permission to revise and extend his remarks.)

Mr. OXLEY. Mr. Speaker, I thank the chairman of the subcommittee for yielding to me. Let me also heap praise on him and the gentleman from Massachusetts [Mr. MARKEY]. Other than the fact that both gentlemen have funny accents, they have very little in common, except for their efforts to craft legislation that will last for a long, long time. In both the telecommunications legislation, the first major telecommunications legislation in 62 years, and now the Securities Act, both gentlemen have shown terrific leadership on both these very important issues.

Indeed, your legacy, JACK, will be with these two major pieces of legislation. For that the gentleman from Texas [Mr. FIELDS] is to be congratulated by all of the Members.

Mr. FRISA. Mr. Speaker, will the gentleman yield?

Mr. FIELDS of Texas. I yield to the gentleman from New York.

(Mr. FRISA asked and was given permission to revise and extend his remarks.)

Mr. FRISA. Mr. Speaker, I would like to also, as a conferee on this legislation, express my thanks to the gentleman from Texas [Mr. FIELDS] and to the chairman, the gentleman from Virginia [Mr. BLILEY], for giving me the opportunity to participate as a new Member of this House on such an important piece of legislation, as they both did on the telecommunications act reform.

I support this legislation as well, and also extend my thanks to the gentleman from Massachusetts, Mr. MARKEY, and the gentleman from Michigan, Mr. DINGELL, as well, I must say, to the chairman of the Committee on Banking on the other side, Mr. D'AMATO, who is my Senator, and whom I represent, for his efforts on bringing this to final closure. I support this legislation.

Mr. FIELDS of Texas. Mr. Speaker, I reserve the balance of my time.

Mr. MARKEY. Mr. Speaker, I yield such time as he may consume to the gentleman from Michigan [Mr. DINGELL], the ranking Democrat on the Committee on Commerce.

Mr. DINGELL. Mr. Speaker, I thank my friend, the gentleman from Massachusetts [Mr. MARKEY], for yielding time to me.

Mr. Speaker, I want to commend the gentleman for the outstanding job he has done on this, and also our chairman, the gentleman from Virginia [Mr. BLILEY], and the gentleman from Ohio [Mr. OXLEY].

I also want to express my particular affection and respect for the distinguished gentleman from Texas [Mr. FIELDS] who is up, I think, for the last time tonight. He is a superb Member of this body. He will be missed. He has earned the respect and affection of his colleagues by dint of his integrity, his honesty, and the way in which he has handled legislation. I will miss him, although I will rejoice that he will continue to be my friend.

This is a good bill. It represents a huge amount of hard work, leadership, and effort. It is, as I mentioned, the last security bill for our good friend, the gentleman from Texas [Mr. FIELDS], and a fitting tribute to both him and to the gentleman from Massachusetts [Mr. MARKEY], and to our chairman, the gentleman from Virginia [Mr. BLILEY], because of the way they have worked together to see to it that this bill could come to fruition.

Mr. Speaker, the National Securities Improvements Act is an important piece of legislation. It enjoys, and properly so, bipartisan support, as well as the support of the industry. It is deregulatory in a proper fashion, while at the same time preserving and enhancing investor protections, something which is the real purpose of the American securities market and the American securities law.

Mr. Speaker, I am, I will observe, deeply disappointed in the investment advisers provisions. No fault attaches to my colleagues on this side, but rather, the fault exists over in the other body. This body and the other body, because of the impasse on this matter, have passed up an opportunity to better police investment advisers, financial planners, and to give the SEC the resources and regulatory tools that are needed to put in jail or to put out of business a number of scoundrels, crooks, swindlers, and others who, very frankly, are advantaging themselves and enriching themselves at the expense of the little investor. To do that is a great shame.

In that, there is one significant failure in this legislation. The bill before us on these matters essentially maintains the status quo. It does not contain the additional resources and investor protections sought by the House in this matter. Indeed, these provisions were passed by the House twice before. Nonetheless, no discredit attaches in this matter to any of my colleagues on the committee. They did their best in trying to protect and preserve these provisions, and they are important, as I reiterate, to the little investors in this country, who are being taken advantage of by a number of unprincipled, irresponsible, and incompetent people who function in this industry to their own great benefit and enrichment.

In any event, I urge the passing of this bill. I salute the gentleman from Texas [Mr. FIELDS]. I salute my colleagues who have worked on it. I do want to salute the staff, which has worked very hard to bring us to where we are today.

Mr. MARKEY. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I would ask if I could engage in a colloquy with the gentleman from Texas.

Mr. Speaker, I would ask the chairman, is it the manager's intention not to limit, alter, expand, or otherwise affect in any way any State, statutory, or common law with respect to fraud or deceit, including broker-dealer sales practices, in connection with securities or securities transactions?

Mr. FIELDS of Texas. Mr. Speaker, will the gentleman yield?

Mr. MARKEY. I yield to the gentleman from Texas.

Mr. FIELDS of Texas. Mr. Speaker, the gentleman is corrected in his understanding.

Mr. MARKEY. Mr. Speaker, I thank the chairman very much for that statement.

Mr. Speaker, we have come a long way in the last year and a half on this legislation. I think many observers would have thought it was impossible that we could have had such a historic overhaul of securities laws.

At the beginning we were on different planets in terms of how we viewed these issues. But back in March, the gentleman from Texas, JACK FIELDS, and I, we went to his office for 2 hours, sat down and went through each and every issue trying to find the common ground in each and every one of them. The agreement in principle that we reached that night is the core of this legislation.

It is altogether fitting that it be the last bill before the continuing resolution that we in fact take up here, because when the history of this Congress is written, there is no question that this securities overhaul and the telecommunications overhaul will be at the top of the list in terms of constructive, productive use of this Congress. It is a tribute to JACK and his understanding of the need to develop bipartisanship in the development of legislation which will leave that legacy for him to look back at.

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We deal here with national securities offerings in a way that will preempt duplicative State review of mutual funds and stocks and bonds. We overhaul the margin provisions of this country.

The mutual fund company reforms that are included in this bill are the greatest since 1940 that have come through this Congress. We have gone

through months of discussion to reach this point. But it is, as technical as it may be, as significant a piece of legislation as we will have passed during this 2 years that the 104th Congress was convened.

Let me join as well in praising Linda Dallas Rich and David Cavicke; Steve Cope, who sits over there, J.D.; and on our side Consuela Washington; and Jeff Duncan; and David Moulton; and especially, because of his incredible efforts on this project over the last year and a half, consuming enormous amounts of time, with his wife pregnant, or just having had a baby, depending upon the circumstance a year and a half ago or right now, Tim Ford.

We all know, most of the Members here, how humble we have to be at moments like this with a continuing resolution and so much important legislation coming through here, that without the work of the staff, it would not be possible.

So let me finish again. Without question, the gentleman from New York, DAN FRISA; and the gentleman from Virginia, RICK BOUCHER; so many other Members, I see the gentleman from Michigan, BART STUPAK, here; all participated in this bill.

Again, for me, it is a moment where I say good-bye legislatively to my good friend, the gentleman from Texas, JACK FIELDS. And I say good-bye because, in a sea of acrimony, there was an air of good feeling that he was able to develop that produced historic legislation in two areas that could have been intractable in the wrong hands.

For that, I salute you, JACK.

The statement of managers on this conference report notes that ''The Managers agreed to include certain Amendments to the Investment Advisers Act of 1940 to eliminate publication, promote efficiency and protect investors.'' I would like to take just a few moments to describe what these amendments do and the congressional intent underlying them.

First, the bill provides a $20 million authorization for the enforcement of the Investment Advisers Act of 1940, which regulates investment advisers and financial planners. These funds are intended to be used to beef up the SEC's inspections, examinations, supervision, and enforcement of the Advisers Act. For too many years, the SEC has not devoted adequate resources to this area, and this authorization is intended to reverse that situation. I am committed to assuring that funds are appropriated for this area, and intend to work closely with the SEC and the administration to assure this is the case.

Second, the conference report provides for the establishment of a toll-free 800 number that investors can call to check on the disciplinary history of an investment adviser. This provision gives investors the tools they need to protect themselves against dishonest, unscrupulous, or shady individuals by letting them call a number to check and see whether the person they are considering turning over their life savings to has any history of previous disciplinary problems relating to fraud, sales practice abuse, or other misconduct. I expect the SEC to move quickly to assure that this 800 number is established, and that it provides investors with all the information they need to make informed decisions in this area. In this regard, I would expect the Hotline to include the same types of information available—or which is now slated to be made available—to investors over the existing NASD hotline for broker dealers. In addition, I expect that the new Hotline will also be supplemented by on-line services that will allow investors to access this type of information over the Internet—similar to what is now being planned for the current NASD broker-dealer Hotline.

With respect to Federal-State jurisdiction, the conference compromise assigns primary responsibility to the SEC for supervision of large investment advisers while reserving for the states primary supervisory responsibility for small advisers. At the same time, we agreed that the States should continue to have authority to license the individual representatives of investment advisers.

Finally, the bill provides for uniformity in State requirements in books and records, capitol, and bonding requirements.

This is an equitable compromise in this important area. However, it leaves unaddressed other issues that I continue to consider important to assuring investors are fully protected against wrongdoing by their investment advisers, such as enhanced disclosure of fees and conflicts-of-interest. I intend to continue to press for these reforms in the next Congress.

Mr. Speaker, I yield back the balance of my time.

Mr. FIELDS of Texas. Mr. Speaker, I yield myself such time as I may consume, but let me inform the body that I will be very brief so that we can move on. I know everyone wants to get to the continuing resolution.

Mr. Speaker, I want to amplify something that my good friend, the gentleman from Massachusetts, ED MARKEY, said just a moment ago. We are taking a few minutes to talk in very general terms about a very complex piece of legislation, that is just as massive in reform as our reform was of telecommunications, and we are certainly not doing justice in this short time period to what we have done, and I want to acknowledge that.

But, again, I want to emphasize to this House that while this is my last speech, this is my last legislative act, the real magic here, which I hope is demonstrable to the rest of the House, is the fact that people who come from very different backgrounds, from different sides of the aisle, different political persuasions, put aside differences which we could have focused on and instead looked at what was best for the American consuming public, and we focused there, and we found commonality and looked for the best policy.

Again, this is not a singular effort. For 4 years, I have had the opportunity to work with the gentleman from Massachusetts, ED MARKEY, in the last Congress as the senior Republican on the Subcommittee on Telecommunication and Finance, and this year being fortunate to be its chairman. I am going to say that I am a blessed Member that I had this particular individual to work with for 4 years.

I also do not want to take away from the Members on my side. I know there are a lot of people who feel they sit on the best subcommittee or on the best committee, and certainly I do, in that particular regard. Our Members are engaged, both sides of the aisle, they are very intelligent, they are very focused, and I always feel that they are motivated for the right reason.

So it is a great moment of pride that, as I close out my legislative career, I am standing here tonight with a product that we all can be proud of as a Congress as we go home, and it is something that we should all talk about, but we should talk about this as a joint product that occurred from both sides of the aisle.

Mr. MARKEY. Mr. Speaker, will the gentleman yeild?

Mr. FIELDS of Texas. I yield to the gentleman from Massachusetts.

Mr. MARKEY. Again, I thank the gentleman.

In conclusion, I also thank the gentleman from Virginia, TOM BLILEY, following the tradition of the gentleman from Michigan, JOHN DINGELL, in creating the climate at our committee historically that has made it possible. And Alan Roth and J.D. on this bill helped to create the environment where the Members worked together to produce this bill.

Mr. FIELDS of Texas. Mr. Speaker, the gentleman makes an excellent point. We would not be here if it had not been for the gentleman from Michigan, JOHN DINGELL, and Chairman BLILEY bringing all this to closure.

With that, Mr. Speaker, I think it is appropriate that we now pass the torch to the gentleman from Ohio [Mr. OXLEY] and the gentleman from Massachusetts [Mr. MARKEY] to continue the legacy of this particular subcommittee, the legacy that we have enjoyed over many sessions.

Mrs. COLLINS of Illinois. Mr. Speaker, I rise in support of H.R. 3005, the Securities Amendment of 1996. During three hearings held on securities amendments, the Commerce Committee of which I am a member, heard support for sensible, targeted efforts to reform Federal securities laws to promote greater efficiency and capital formation in U.S. financial markets. We also heard from a number of witnesses, including Securities and Exchange Commission Chairman Arthur Levitt, who urged us to proceed carefully and cautiously, keeping in mind the fact that investor confidence and consumer protection must not in any way be compromised in this undertaking. I agree fully. I was extremely pleased that a bipartisan agreement was reached that heeded Chairman Levitt's sage advice.

As we all know, U.S. capital markets are the strongest financial markets in the world. Today, nearly one-third of all families in the Nation have a portion of their savings invested in stocks, bonds, and mutual funds in order to ensure a better future for themselves and their loved ones. These investors have trust in their investments because our regulatory system has proven beneficial in protecting individuals from fraud and abuse perpetuated by unscrupulous brokers and dealers. We will be preserving and strengthening this trust with the legislation we consider before us today.

This legislation will maintain the authority of State securities regulators to police wrongdoing. In addition, the legislation ensures that the SEC mandate to protect American investors and the public interest as well as the long-term stability of our major markets remains intact. This is a most important point. While there is room to fine tune the regulatory functions of the SEC, reforms must never be structured in such a way that they undermine consumer confidence.

This bill, H.R. 3005, does not seek to greatly limit inspections of brokerage firms who have violated SEC rules or relieve firms of liability for recommending unsuitably risky investments to institutional clients. The bill also modifies previous language that would have eliminated the requirement in current law that investors be sent a prospectus and informed of the risks they face before they buy newly offered securities by requiring the SEC to move forward with its study of this issue.

Mr. Speaker, there is undoubtedly a need to monitor mutual fund regulation to fully account for the constantly evolving size, complexity, and investment opportunities of our Nation's financial markets. While mutual funds have grown by more than 20 percent annually throughout the 1980's and into the 1990's, Congress has not addressed the issue of fund regulation since 1970. This bill updates our securities laws and will support and improve the industry. I urge my colleagues to approve the conference report on H.R. 3005. I yield back the balance of my time.

Mr. FIELDS of Texas. Mr. Speaker, I yield back the balance of my time.

The SPEAKER pro tempore (Mr. DREIER). The question is on the motion offered by the gentleman from Texas [Mr. FIELDS] that the House suspend the rules and agree to the conference report on the bill, H.R. 3005.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the conference report was agreed to.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. FIELDS of Texas. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on the conference report to accompany H.R. 3005.

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

There was no objection.

CONFERENCE REPORT ON H.R. 3610, DEPARTMENT OF DEFENSE APPROPRIATIONS ACT, 1997

Mr. LIVINGSTON. Mr. Speaker, pursuant to the previous order of the House, I call up the conference report on the bill (H.R. 3610) making appropriations for the Department of Defense for the fiscal year ending September 30, 1997, and for other purposes.

The Clerk read the title of the bill.

The SPEAKER pro tempore. Pursuant to the order of the House of today, the conference report is considered as having been read.

(For conference report and statement, see prior proceedings of the House of today.)

The SPEAKER pro tempore. The gentleman from Louisiana [Mr. LIVINGSTON] and the gentleman from Wisconsin [Mr. OBEY] each will control 30 minutes.

The Chair recognizes the gentleman from Louisiana [Mr. LIVINGSTON].

GENERAL LEAVE

Mr. LIVINGSTON. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks and include extraneous material on the conference report to accompany H.R. 3610 and that I may include tabular and extraneous material.

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

There was no objection.

Mr. LIVINGSTON. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, today I am pleased to bring before the House the Omnibus Consolidated Appropriations Act of 1997 that will fund the remaining appropriations bills for the full fiscal year and allow us to go home.

I want to say up front that the procedure that we were forced to follow was less than desirable. That procedure was initially caused by the other body's inability to complete consideration of five appropriation bills. We also had to address the demands of the Clinton administration to increase domestic spending.

But the House was able to get its work done. We passed all of our bills promptly this summer, all 13 appropriations bills. That would not have been the case without the dedicated, steadfast, and conscientious effort of all of the Members of the House, but most especially my friend the gentleman from Wisconsin, DAVID OBEY, the ranking minority member of the committee, as well as all of the subcommittee chairmen; all of the ranking members of subcommittees; all of the members of the Committee on Appropriations; and especially, the dedicated staff, majority and minority; the gentleman who sits next to me, the chief clerk of the Committee on Appropriations, Jim Dyer; the gentleman that sits next to him, Dennis Kedzior; Fred Mohrman, who is not here tonight but who helped get us started in the 104th Congress; Scott Lilly, the ranking minority clerk over there sitting next to the gentleman from Wisconsin [Mr. OBEY]; and all of the other dedicated staff, many of whom have not even slept a single minute over the last 3 or 4 days to prepare this bill.

They have done just an incredible job against overwhelming odds, bearing a tremendous work load, and I can tell them all that I am deeply appreciative of their efforts. Because of them we were able to get our work done.

Now the procedure we used to develop this conference report is brought about because some of the bills got stymied on the other side. But in order to come to closure on these matters as well as to address the needs for increased funding for antiterrorism programs, the drug initiative, disaster assistance for Hurricane Fran, wildfires in the West, and to consider the demands of the administration for funding certain programs, we had to combine all of these remaining bills into one legislative agenda, one legislative package, which sits before you so the trade-offs could be made and the package could be viewed as a balanced one.

As many of the Members know, the administration asked for additional domestic spending that would be offset by cuts in the defense appropriations bill. That was unacceptable to me, and it was unacceptable to the gentleman from Florida, BILL YOUNG, the chairman of the Subcommittee on National Security.

We both insisted that no further cuts be made to the level of funding in the defense bill and that other offsets must be found to pay for their wish list of domestic spending. We refused to cut defense further.

Mr. YOUNG put together a good defense appropriations bill that provides for a strong national defense and meets the needs of American servicemen, and women whether they be in Bosnia or flying over Iraq or Saudi Arabia or Kuwait or elsewhere all around the globe.

In a minute I will be happy to yield to the gentleman from Florida [Mr. YOUNG], so he can explain the portion of the bill that relates to the national defense. But in the meantime, I want to say that this appropriation measure carries full-time funding for 6 complete bills, virtually half of the budget of the United States Government. It includes the Subcommittee on Commerce, Justice, State and Judiciary; the Department of Defense, the Subcommittee on Foreign Operations, Export Financing and Related Programs; the Subcommittee on the Interior; the Subcommittee on Labor, Health and Human Services and Education; and the Subcommittee on Treasury, Postal Service, and General Government.

In addition to augmenting various programs in these annual spending bills, we are providing funding for the antiterrorism program of some $981 million, we are giving $8.8 billion for a drug initiative to combat drug abuse and to interdict the inflow of drugs into this country, and we are providing nearly $400 million for relief from disasters such as Hurricane Fran.

The sizable offsets included in the bill, for example, from the BIF/SAIF program that we will hear about the gentleman from Iowa [Mr. LEACH] and the gentlewoman from New Jersey [Mrs. ROUKEMA] and the spectrum sale both fully fund the deficit impact in any spending in this bill.

I want to reiterate, this bill does not add to the deficit. In fact, this bill completes our final step in the 104th Congress toward securing some $53 billion in cumulative savings under the