As home to 41 percent of all endangered birds in the nation, Hawaii has a lot to lose. The state imposes fines as high as $25,000 for importing or owning snakes of any type—a penalty that has not stopped people from smuggling in pythons and other snakes for pets. But the brown tree snake threat is different.

''Never in history has a snake done as much ecological damage as this snake,'' says Mike Pitzler, a biologist with the U.S. Department of Agriculture in Guam. Pitzler leads a team of federal, state, military and private individuals struggling to keep snakes from leaving Guam aboard outgoing flights and ships. The team maintains 1,400 snake traps in airports and other targeted sites around the island. It also relies on 14 Jack Russell terriers, which work in shifts around the clock, sniffing aircraft and cargo for snakes before departure.

Pitzler's staff captures 3,000 to 5,000 snakes per year, but he acknowledges his program's limitations. ''Our canine teams are not 100 percent effective all the time,'' he says. ''There are also cargo items that are difficult to inspect.''

On the Hawaiian island of Oahu, meanwhile, five beagles put their noses to work sniffing out snakes on arriving commercial and military flights from Guam. For most flights, one of the dogs and an inspector are waiting at the gate to examine the aircraft. The pair then hurries to a nearby warehouse to inspect cargo from the flight. But because of a shortage of funds for the program, not all military flights are inspected and that worries state authorities.

''Is there an acceptable risk? The answer for Hawaii is no,'' says Mike Wilson, chairperson of Hawaii's Department of Land and Natural Resources. ''Every brown tree snake that we don't stop now will turn into tens of thousands of snakes over the next 10 or 20 years.'' The species has a clutch size of 4 to 12 young and females may produce more than one clutch per year.

Newly hatched snakes immediately begin to forage for food. On Guam, small skinks are readily available prey for the young snakes. An introduced alien initially thought to be harmless, one skink species is largely responsible for the population explosion of brown tree snakes on the island by allowing greater numbers of the snakes to survive into adulthood. ''The relationship between skinks and the brown tree snake's population is an example of what happens when you introduce nonnative plants and animals to a place,'' says Kraus. ''You can get a synergistic effect, things that you never expected.''

If one of the reptiles should slither off into Hawaii's landscape, Kraus usually oversees efforts to find the reptile. ''In some habitats in Hawaii,'' he notes, ''you could be standing right next to a snake and not know it.'' To search for the snake that chased off the boy in the suburban Honolulu ravine, Kraus brought in eight volunteers. The reptile was never found, though he concluded that it was not a brown tree snake because it was sighted during daylight.

While Kraus continues his exhaustive searches, other experts are pursuing new methods to eradicate the reptile. But so far no such method has been found. ''We continue looking for solutions,'' says Thomas Fritts. ''We're not ready to give up.''

SUPPORT A BILL TO PROTECT KIDS AGAINST TOBACCO USE WHILE PRESERVING THE ADULT RIGHT TO CHOOSE

HON. SANFORD D. BISHOP, JR.

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 21, 1998

Mr. BISHOP. Mr. Speaker, I have introduced the Tobacco Use by Minors Deterrence Act, which, if enacted, would actually address and stop access by children to tobacco.

It is a model law tying health funds for States to their efforts to keep tobacco away from our kids.

It outlaws the sale to or possession by kids of tobacco products.

It requires parental notification of violations by kids.

It provides civil fines and loss of driver's license for kids who are caught.

It requires a license to sell tobacco products similar to those for sale of alcohol.

It provides loss of license to sell by retail outlets for repeated infractions.

It requires training of employees, posting of notices, and lock-out devices for vending machines.

In short, it provides for a shared responsibility by kids, families, law enforcement, and retailers to protect the health, safety, and welfare of our kids against tobacco use while protecting the right of informed adults to make a choice.

Mr. Speaker, I urge my colleagues to consider supporting this bill before even thinking about enacting a huge regressive tax on our constituents.

My bill protects our kids against tobacco, but at the same time it keeps a legal business viable, which is crucial to my Congressional District, and allows adults to make their own choice.

FINANCIAL SERVICES COMPETITION ACT OF 1997

SPEECH OF

HON. MARGE ROUKEMA

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 13, 1998

The House in Committee of the Whole House on the State of the Union had under consideration the bill (H.R. 10) to enhance competition in the financial services industry by providing a prudential framework for the affiliation of banks, securities firms, and other financial service providers, and for other purposes:

Mrs. ROUKEMA. Mr. Chairman, I rise today to express my strong support for H.R. 10, the Financial Services Act of 1998. This bill will modernize our Depression era banking and securities laws to permit U.S. companies to provide new products and services to their customers. The bill will permit banks, securities firms and insurance companies to freely affiliate, something which is not permitted today due to the Glass-Steagall Act, the Bank Holding Company Act and other provisions of federal and state law.

One of the most important provisions in H.R. 10 is the ''commercial basket'' provision. This provision will permit financial holding companies to derive a modest amount of their aggregate annual gross revenue from commercial activities. It is important because it will permit securities firms and insurance companies which want to acquire banks to retain some of their commercial investment activities. In addition, the commercial basket will grant U.S. financial services companies some of the same investment flexibility which their foreign rivals currently enjoy. I was the sponsor of the 15% commercial basket amendment which was adopted by the Banking Committee on June 17, 1997 by a 35–19 vote. While the Commerce Committee chose to cut back on the commercial basket provision, they nonetheless approved a bill which included a commercial basket for financial holding companies.

Mr. Chairman, under the version of H.R. 10 we are considering today, financial holding companies would be permitted to make investments in commercial entities and derive a modest amount of their annual gross revenue from commercial activities. I would like to stress that only the holding company, and not its subsidiary banks or savings associations, would be permitted to make commercial investments. There are two commercial baskets in the bill—a general 5% basket for new financial holding companies which don't have any commercial activities and a 15% ''grandfather'' basket for those entities with commercial activities which become financial holding companies. I, along with Mr. VENTO, BAKER, LAFALCE and MCCOLLUM, will be offering an amendment later today which would provide parity for all market participants. Our amendment would permit all market participants to have a commercial basket of 10% of annual gross revenues. A financial holding company could apply to the Federal Reserve Board for authority to receive up to an additional 5% revenue from commercial activities in excess of the 10% cap. Mr. LEACH will be offering an amendment which will eliminate the commercial basket and provide a 10 year sunset for the grandfathered commercial activities.

Regardless of the outcome on the amendments on the commercial basket, I would like to clarify two aspects of how the commercial basket is supposed to be calculated. The commercial basket test focuses on the ''activity'' as opposed to the ''entity''. The reason for this approach is that companies can engage in both financial and commercial activities. Therefore, a financial holding company shall only count the revenue it receives from nonfinancial activities—regardless of whether the commercial activity is engaged in directly by the holding company or indirectly through a subsidiary or is the pro rata commercial activity share of revenue received by the holding company from an investment. The result will be that only those revenues related to nonfinancial activities that are held pursuant to the commercial basket provisions will be counted towards the commercial basket revenue limit.

The other aspect I would like to clarify is the treatment of revenue received from the sale, exchange or disposition of a nonfinancial investment or activity. Non-routine revenues—such as one time gains—are not to be included in the commercial basket revenue test, while revenue from ongoing operations would be counted.

Take for example the following situation. In December of 1997 a financial holding company sells a subsidiary for $25 million. The