have the Federal Reserve and other financial authorities whose mandate is to prevent a breakdown in our domestic financial markets and if necessary act as lenders of last resort. I am confident that they are capable of carrying out their mandate. But we are sadly lacking in the appropriate financial authorities in the international arena. We have the Bretton Woods institutions—the IMF and the World Bank—which have tried valiantly to adapt themselves to rapidly changing circumstances. Admittedly the IMF programs have not been successful in the current global financial crisis; its mission and its methods of operation need to be reconsidered. I believe additional institutions may be necessary. At the beginning of this year I proposed establishing an International Credit Insurance Corporation, but at that time it was not yet clear that the reverse flow of capital would become such a serious problem and my proposal fell flat. I believe its time has now come. We shall have to establish some kind of international supervision over the national supervisory authorities. We shall also have to reconsider the workings of the international banking system and the functioning of the swap and derivative markets.

These issues are beyond the competence of Congress. There is, however, one issue which is very much within its purview. That is the request to authorize an increase in the capital of the IMF. I am aware that Congress was greatly influenced by the testimony given by George Schultz opposing such an increase. I hope my remarks will serve to contradict that testimony.

George Schultz argued that it is better if markets are allowed to look after themselves than if they are looked after by regulators. There is an element of truth in his argument: regulators do make mistakes. The IMF approach clearly did not work, otherwise we would not find ourselves in the current situation. But that does not mean that financial markets can look after themselves. Everybody looking out for his or her self-interest does not lead to equilibrium but to what Alan Greenspan called irrational exuberance and afterwards panic.

George Schultz inveighed against the moral hazard of bailing out irresponsible investors and speculators. Here he has a valid point. Bailouts did encourage irresponsible behavior not so much by speculators—because we know that we have to take our lumps when markets decline—but by banks and other lenders who could count on the IMF coming in when a country got into difficulties. The IMF imposed tough conditions on the country concerned but it did not impose any penalties on the lenders. This asymmetry in the treatment of lenders and borrowers is a major source of instability in the global capitalist system and it needs to be corrected. It has to be a focal point in the soul searching that the IMF must undergo, but I am glad to say that the IMF is learning fast. In its $2.2 billion program in Ukraine, it is imposing a new condition: 80% of Ukraine's treasury bills have to be ''voluntarily'' rescheduled into longer-term, lower yielding instruments before the program can go forward. This is a long way from the Mexican bailout of 1995 where the holders of Mexican treasury bills came out whole.

The moral hazard now operates in the opposite direction; in not enabling the IMF to do its work when it is most needed. Congress bears an awesome responsibility for keeping the IMF alive. I am convinced that the attitude of the Congress was already an important element in the failure to deal with Russia. As you probably know I have foundations in many of the formerly communist countries. Some of these countries are badly hit by the fallout from the Russian collapse. Countries like Moldova and Romania have no one else to turn to but the IMF. The IMF is perfectly capable of assisting them. It would be tragic if it ran out of resources.

Replenishing the capital of the IMF will not be sufficient to resolve the global financial crisis. A way has to be found to provide liquidity not only at the center but also at the periphery. I believe there is an urgent need for the creation of Special Drawing Rights which can be used to guarantee the rollover of the already existing debt of countries which receive the IMF's seal of approval. If there is no reward for good behavior, meltdowns and defections will multiply. But such radical ideas cannot even be considered until Congress changes its attitude towards international institutions and the IMF in particular.

So far our stock market has escaped relatively unscathed and our economy has actually benefited from the global crisis but make no mistake: unless Congress is willing to support the IMF, the disintegration of the global capitalist system will hurt our financial markets and our economy as well because we are at the center of that system.

A SPECIAL TRIBUTE TO THE PUTNAM COUNTY VIDETTE ON THE OCCASION OF ITS 125TH ANNIVERSARY

HON. PAUL E. GILLMOR

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, October 21, 1998

Mr. GILLMOR. Mr. Speaker, it is my pleasure to rise today to pay special tribute to a truly outstanding organization from Ohio's Fifth Congressional District. Today, Wednesday, October 21, 1998, the Putnam County Vidette will be celebrating the joyous occasion of its 125th Anniversary.

Mr. Speaker, the Putnam County Vidette, a widely-circulated weekly newspaper in Columbus Grove, Ohio, is the source of a great deal of information for its readers in and around the Putnam County area. The Putnam County Vidette has been sending the community updated news coverage and insight on county, State, national, and international events for the last 125 years.

During that lengthy period, the readers have come to know that the Putnam County Vidette is a true icon in the reporting field, offering high-quality and accurate reporting on myriad stories, profiles, and news-making events. In a time when the media is under a constant microscope, the Vidette is a true asset to the community in which it circulates.

Mr. Speaker, Ohio's Fifth Congressional District is by far one of the largest districts in the State stretching more than 150 miles across northwest Ohio. My district is scattered with dozens of daily and weekly news publications. In my years of service, I have found the Putnam County Vidette to be of the finest quality and of the highest reporting standards. The dedication and attention to detail from the staff of the Vidette have certainly elevated the Vidette to a plateau of excellence.

Mr. Speaker, public officials have the good fortune to work with news organizations on a daily basis. As we work to improve the quality of life for the constituents we are elected to represent, the media is charged with the responsibility of covering our message and accurately reporting that information to the readers and listeners. The Putnam County Vidette, for 125 years, has done a marvelous job covering events affecting the Putnam County area. It is my pleasure to stand before the House to offer my thanks and congratulations for those fine efforts.

Mr. Speaker, I would urge my colleagues to stand and join me in paying special tribute to the Putnam County Vidette, for 125 years of reporting excellence, and in wishing the Vidette continued success in the future.

OSHA REFORM IN THE 105TH CONGRESS

HON. CASS BALLENGER

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, October 21, 1998

Mr. BALLENGER. Mr. Speaker, over the past three years, Republicans in Congress have worked to reform the Occupational Safety and Health Administration (OSHA). For too long OSHA has been marked by burdensome and over-reaching regulations and unfair enforcement. It has employers as foes rather than as partners in improving worker safety and health. Not only has OSHA's approach made it one of the most disliked agencies in the whole federal government, but also study after study has shown that OSHA's approach has been generally ineffective in improving safety and health in the workplace.

I am pleased to report that we have been able to make some progress in reforming OSHA, though much more needs to be done. Three bills amending the Occupational Safety and Health Act were signed into law during the 105th Congress. What makes this more remarkable is that in the 28 years since OSHA came into existence, there has been only one other change made to the law, and that was the penalty increase enacted as part of a tax and revenue increase bill by the Democrat Congress in 1990.

The first change we made requires OSHA to provide consultative services to small businesses. A small business that requests a consultation and then corrects the violations would not receive any citations or fines, and would not be inspected for at least one year, unless there was a serious accident or a complaint was made to OSHA. These consultations would be provided through state agencies, not by OSHA directly. My own company has participated in the consultation program run by North Carolina OSHA, and I am pleased that we were able to authorize consultation services as the first ''program'' amendment to OSHA. With increased funding and availability, this consultation program—in which the government works with employers and their employees to improve safety and health in the workplace—can be an excellent model for further changes in OSHA.

The second change we enacted this year addresses a fundamental problem with OSHA enforcement. During most of the years of OSHA, under Democrat Congresses, OSHA was measured in terms of enforcement: how many citations were issued? How many and how large were the penalties against employers? Individual inspectors and their supervisors were evaluated by the same criteria; raises and promotions were based on how many citations and penalties they issued. So

it is no surprise that inspectors focused more on finding nitpicky and paperwork violations to cite than the overall safety and health conditions of the workplace. The change enacted into law this year prohibits that practice. OSHA may not use enforcement measures, such as penalties and citations, to evaluate the performance of their compliance officers or their supervisors. The goal of OSHA should be safe and healthy jobs, not achieving a certain level of citations and fines.

The third change enacted this year was a bill sponsored by Senator Enzi to apply to OSH Act, including enforcement and penalties, to the U.S. Postal Service. The Postal Service has, in terms of the OSH Act, been considered a federal agency, even though it is now largely independent and directly competes with private companies. Furthermore, worker health and safety has been a continuing concern at the Postal Service. Putting the Postal Service under OSHA enforcement helps to ''level the playing field'' as it competes with private companies.

In addition to these three amendments to the OSH Act, I am pleased that the omnibus appropriations bill authorizes and funds a comprehensive and independent study of ergonomics, to be conducted by the National Academy of Sciences (NAS). In past years, Congress has explicitly prohibited OSHA from promulgating an ergonomics standard. This year's appropriation bill does not include such a prohibition. However, OSHA is required by its statute to base an ergonomics standard on ''the best available evidence,'' and the purpose of the NAS study is to assess and report on what the best evidence is with regard to the nature, causes, and prevention of so-called ergonomics injuries. It would therefore, in my view, be inconsistent with the statute for OSHA to promulgate an ergonomics standard before the NAS study is completed.

We also made progress on several other items, but we were unable to enact those changes into law this year. I am disappointed that we were unable to enact legislation to help small businesses handle the paperwork burden imposed by OSHA's Hazard Communication Standard. This was bipartisan legislation in both the House and the Senate. It simply made clear that employers could comply with the OSHA Hazard Communication Standard's requirement for Material Safety Data Sheets on hazardous substances through the use of electronic means, rather than paper copies. It also provided that certain basic information on the substance be attached and written in terms understandable to non-chemistry majors. The bill passed the House on voice vote, but opposition to the bill from the Department of Labor prevented this bill from being considered in the Senate in the final days of the session. This is most unfortunate, as it would have benefited both small business and workers.

I am also disappointed that we were unable to make more progress in reforming OSHA's standards-setting process. Charles Jeffress, the current Assistant Secretary for OSHA, has complained that OSHA's standards-setting process is broken and needs to be fixed. He is not the first Assistant Secretary to acknowledge that, and I agree that there are serious problems with the current standards-setting process. The Committee on Education and the Workforce attempted to address that problem this year with two bills that would have required OSHA to use outside, independent experts to ''peer review'' the technical scientific and economic data used as the basis for standards, and to write standards that are specific to identified industries and operations. Together these reforms would make OSHA's standards more credible and more efficient in protecting health and safety without imposing undue costs. Ironically, Mr. Jeffress' own Department of Labor opposed both of these common sense reforms. Rep. Wicker also worked very hard to include a provision in the appropriations bill, similar to the bill that passed our Committee, that would have required OSHA to conduct peer review of the technical scientific and economic data and assumptions used as the basis for standards. As my colleagues know, credible scientific enterprise includes peer review. Study after study and report after report—all have urged federal agencies, including OSHA, to use peer review. The blame for the state of OSHA's standards-setting process falls squarely on the Department of Labor, which has consistently opposed even the mildest and most common sense reforms in that process.

There are other issues that still need to be addressed as well. OSHA does little to encourage voluntary workplace efforts by employers and employees to improve safety and health, and some of OSHA's policies actually discourage those efforts. During this Congress, I proposed changes that would have limited OSHA's access of an employer's own safety and health audits and assessments. OSHA's use of those for enforcement discourages companies' voluntary, thorough, and honest evaluations. I also proposed that we improve the legal protections for employees who raise health and safety concerns, to ensure that they have a fair and adequate means of redress if they are discriminated against for raising these concerns. Unfortunately the Clinton Administration was unwilling to go along with these changes to improve the legal protections for employers and employees who make efforts to improve safety and health in the workplace. Opposition from the Clinton Administration also continues to stalemate efforts to allow greater employer-employee cooperation on safety and health and other issues in their workplaces. My colleague, and Chairman of the Small Business Committee, Representative JIM TALENT, together with Senator MIKE ENZI, have proposed a forward-looking plan to allow companies to self-certify OSHA compliance, encouraging the pro-active use of private experts instead of waiting for a relatively rare OSHA inspection. All of these are issues and proposals which we should continue to work on next Congress.

In response to our efforts, OSHA has also made administrative changes which have helped to focus more of its resources on serious health and safety concerns. I applaud those changes. Other changes, however, such as the misnamed ''cooperative compliance program,'' have shown how difficult it is to change OSHA's traditional ''command and control'' approach. The slow pace and inconsistent direction of OSHA's own ''reinvention'' changes points to the needs for continued legislative reform as well as continued oversight to ensure that OSHA effectively promotes the goal of safe and healthful jobs for our nation's workers.

NANCY BOONE FANNING RETIRES FROM INSULAR AFFAIRS

HON. ROBERT A. UNDERWOOD

OF GUAM

IN THE HOUSE OF REPRESENTATIVES

Wednesday, October 21, 1998

Mr. UNDERWOOD. Mr. Speaker, I rise to announce that a long-time friend of Guam and a dedicated public servant has retired. Mrs. Nancy Bonne Fanning, who has worked at the Department of the Interior, mainly on island issues retired at the end of September, after 27 years of dedicated service to this Nation.

It is no exaggeration to say that this wonderful lady will be missed by her colleagues at the Office of Insular Affairs (OIA), where she has been the Chief of Territorial Liaison and Director of Policy and her many friends in America's offshore areas. All of us have come to know and respect Nancy as a first-rate civil servant who put the interests of her staff and her job before those of her own. Over the years, she has encouraged the talents and careers of countless subordinates and been a strong advocate within the bureaucracy on their behalf.

She will also be missed by the leaders of America's offshore islands, who have come to know and rely on her professionalism, intense knowledge of island affairs, and devotion to duty that has always been a hallmark of Mrs. Fanning's career. In the process, she has won the trust and friendship of numerous island presidents, governors, legislators and other leaders.

In a letter recently sent to Interior Secretary Bruce Babbitt, the Honorable Carl T.C. Gutierrez, Governor of Guam, talked about one area in which he believed that Mrs. Fanning has made a valuable contribution. The Governor wrote: ''If there is any success in the U.S. Coral Reef Initiative, or any of the local initiatives which followed, Mrs. Fanning is directly responsible. She worked tirelessly to make the Initiative a living document with real and measurable goals and direction. Without her support, the damage done to Guam's reefs from Typhoon Paka would have been much greater. Nancy worked quickly to identify clean-up funds and transfer them to Guam in the most expedition manner possible. One of her legacies will be that reefs surrounding the U.S. insular areas are healthier and better managed because Nancy was there to help.''

During her years at what is now called the Office of Insular Affairs, Nancy has worked on virtually every significant insular issue the Federal Government since the 1970's. Included in the long list of major issues in which she has participated, are the creation of an elected governor for American Samoa, the phase-out of Interior-run administration of the former Trust Territory and the introduction of local self-government in these Pacific Islands, the Reagan-Bush negotiations on Guam Commonwealth, discussions over Guam excess federal lands and the introduction of the Asian Development Bank into the Federated States of Micronesia and the Marshall Islands.

As Director of Policy, Nancy used her vast experience with the islands and their unique relationship with the Federal Government to ensure that the Department of the Interior was able to meet its moral and legal obligations to the residents of America's territories and possession. In the process, several generations of