

interest that could be affected by health care reform swarmed over Washington. The reporting by the media, which emphasized conflict rather than explanation, also elevated public skepticism about the reform proposals. The end result was that attacks by opponents were many, but responses by proponents were far fewer.

Seventh, Congress did not handle the health care reform debate well. The leaders of Congress supported much more wide-ranging health care changes than the average member of Congress. Congress would not agree on any single comprehensive reform proposal, and only one of the five House and Senate committees which have jurisdiction over health care issues successfully produced a bipartisan bill. Although most members decided early on that they could not support the President's bill, or other comprehensive reform measures, Congress was unable to agree on what incremental reforms to support.

Eighth, outside events slowed the momentum for reform. The economic downturn ended, and the middle class concern over health care subsided. In addition, medical inflation, although still twice the rate of overall inflation, was much lower than the 12% or 15% annual increases from a few years ago.

Finally, all of these factors delayed consideration of health care reform. Time became the enemy of reform. Further delays occurred when the Administration needed nine months to introduce a bill, and the President and Congress were forced several times to delay health care reform in order to consider other issues such as the budget deficit reduction package, NAFTA, or the 1995 budget. These delays constrained the time available for Congress to consider, develop and then pass a bill.

#### WHAT IS AHEAD

The health care debate of 1994 was useful, if not satisfactory, and at least began to educate the public on health care and to illuminate some of the choices before us. The process of developing a consensus in the country has begun.

I have no doubt that there soon will be another health care debate. The problems facing the medical system are going to get worse and the pressure to act will mount. Medical costs still are increasing at rates two or three times inflation and the number of uninsured Americans is increasing. As these trends continue, more and more people are going to find their benefits cut, their choice of doctor constrained, and their employers putting more of the cost of health care on to them.

I do not believe reform will happen all at once, or in a single bill, nor should it. No bill can solve all the health care system's problems, and probably no bill that tries to do so can pass. I have believed for some time that comprehensive reform is probably not viable and that reform should come incrementally.

One place to start in incremental reform may be to offer health care coverage for every child. An estimated eight million children lack health insurance and some four million more have substantially less than full coverage. Other incremental reforms Congress will consider include managed competition, insurance reforms, malpractice reform, subsidies to lower income working families, and opening the federal employee health benefits plan (which covers government employees and members of Congress) to small businesses and individuals.

## THE LANGUAGE OF GOVERNMENT

### HON. BILL EMERSON

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 4, 1995

Mr. EMERSON. Mr. Speaker, today I am pleased to introduce once again the "Language of Government Act." America is a nation of immigrants. As President Franklin Delano Roosevelt once said, "All of our people all over this country—except the pure-blooded Indians—are immigrants or descendants of immigrants, including those who came over here on the Mayflower."

Indeed, we are a diverse lot. We are a country of many peoples, each with an individual cultural heritage and tradition. It is not often that people of so many varying cultures and backgrounds can live together in harmony, for human nature often leads us to resist and fear those who are different from us. Yet despite our differences, we do have a common bond. We have a common tongue, the English language, that connects us to one another and creates our national identity. It is this unity in diversity that defines us as uniquely American.

The time is right for passage of this important, unifying legislation. H.R. 123 offers a balanced, sensible approach to the common language issue. This legislation states that the government has an affirmative obligation to promote the English language, elevating that goal to official capacity. At the same time, the bill seeks to set some common sense parameters on the number and type of government services that will be offered in a language other than English. We do not need nor should we want a full scale multilingual government. But, if we do not address this issue in a forward-thinking, proactive manner, that is just what we would allow to develop.

I want to stress that the "Language of Government Act" is not "English only." It simply states that English is the language in which all official United States Government business will be conducted. We have an obligation to ensure that non-English speaking citizens get the chance to learn English so they can prosper—and fully partake of all the economic, social, and political opportunities that exist in this great country of ours.

The late Senator Hayakawa, founder of this movement, was a prolific writer and I offer you one of my favorite quotes of his:

America is an open society—more open than any other in the world. People of every race, of every color, of every culture are welcomed here to create a new life for themselves and their families. And what do these people who enter into the American mainstream have in common? English, our shared, common language.

As Americans, we should not remain strangers to each other, but must use our common language to develop a fundamental and open means of communication and to break down artificial language barriers. By preserving the bond of a unifying language in government, this nation of immigrants can become a stronger and more unified country.

## THE DERIVATIVES SAFETY AND SOUNDNESS SUPERVISION ACT OF 1995

### HON. HENRY B. GONZALEZ

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 4, 1995

Mr. GONZALEZ. Mr. Speaker, today I introduce the Derivatives Safety and Soundness Supervision Act of 1995. This legislation promotes regulatory oversight and coordination, and calls for greater disclosure of the derivatives activities of all types of financial institutions. In recognition of the global nature of the derivatives market, the legislation also requires the United States to take a lead role in promoting international cooperation on derivatives regulation.

The legislation is nearly identical to H.R. 4503, which I introduced with Congressman, now Chairman LEACH last year. At that time—May, 1994—I said "In order to protect taxpayers \* \* \*, the Congress must ensure that the regulators fully understand the individual and systemic risks posed by derivatives and ensure that they are aggressively supervising and regulating financial institution derivatives activities." That legislation did not go anywhere, due in part to the Treasury Department and bank regulatory agencies claims that legislation was not necessary, and in part to the exigencies of a congressional election year schedule.

Events of the past 8 months indicate that legislation is needed now more than ever. Bankrupt Orange County, CA, has lost at least \$2 billion, much of which is attributable to its derivatives holdings. And Orange County isn't the only municipality in trouble—losses caused by risky investments in towns, cities, and counties throughout the country are coming to light. BT Securities, the securities affiliate of Bankers Trust, one of the world's largest derivatives dealers, was found by the Securities and Exchange Commission and the Commodity Futures Trading Commission to have violated the reporting and antifraud provisions of the Federal securities laws in connection with derivatives it sold to its customer, Gibson Greetings, Inc. The SEC and CFTC orders require BT Securities to pay a \$10 million civil penalty. Reports of financial losses at banks due to derivatives and other interest rate sensitive investments continue, and the bank regulators recently backed away from requiring true market value accounting which would reveal those losses. In light of these events, it would be irresponsible for the Congress to avoid legislation.

The legislation covers all financial entities—depository institutions, their affiliates and holding companies, Government-sponsored enterprises, Federal home loan banks, securities firms, and insurance companies. This broadened scope is necessary given the systemic risks that derivatives pose to our financial system generally and the need by customers and the marketplace for consistent and full disclosure. All regulators—bank regulators, SEC, CFTC, and Treasury must work together under the bill in adopting similar regulatory standards, reporting requirements, and disclosure. This regulatory coordination will provide increased customer protection as well as promote a stronger and safer derivatives marketplace. Of course, since banks are the biggest