

(12) by striking "\$2,443" in subsection (l) and inserting "\$2,533";

(13) by striking "\$2,694" in subsection (m) and inserting "\$2,794";

(14) by striking "\$3,066" in subsection (n) and inserting "\$3,179";

(15) by striking "\$3,426" each place it appears in subsections (o) and (p) and inserting "\$3,553";

(16) by striking "\$1,471" and "\$2,190" in subsection (r) and inserting "\$1,525" and "\$2,271", respectively; and

(17) by striking "\$2,199" in subsection (s) and inserting "\$2,280".

(b) SPECIAL RULE.—The Secretary of Veterans Affairs may authorize administratively, consistent with the increases authorized by this section, the rates of disability compensation payable to persons within the purview of section 10 of Public Law 85-857 who are not in receipt of compensation payable pursuant to chapter 11 of title 38, United States Code.

SEC. 3. ADDITIONAL COMPENSATION FOR DEPENDENTS.

Section 1115(1) is amended—

(1) by striking "\$114" in clause (A) and inserting "\$117";

(2) by striking "\$195" and "\$60" in clause (B) and inserting "\$201" and "\$61", respectively;

(3) by striking "\$78" and "\$60" in clause (C) and inserting "\$80" and "\$61", respectively;

(4) by striking "\$92" in clause (D) and inserting "\$95";

(5) by striking "\$215" in clause (E) and inserting "\$222"; and

(6) by striking "\$180" in clause (F) and inserting "\$186".

SEC. 4. CLOTHING ALLOWANCE FOR CERTAIN DISABLED VETERANS.

Section 1162 is amended by striking "\$528" and inserting "\$546".

SEC. 5. DEPENDENCY AND INDEMNITY COMPENSATION FOR SURVIVING SPOUSES.

(a) NEW LAW RATES.—Section 1311(a) is amended—

(1) by striking "\$850" in paragraph (1) and inserting "\$881"; and

(2) by striking "\$185" in paragraph (2) and inserting "\$191".

(b) OLD LAW RATES.—The table in section 1311(a)(3) is amended to read as follows:

"Pay grade	Monthly rate	Pay grade	Monthly rate
E-1	\$881	W-4	\$1,054
E-2	881	O-1	930
E-3	881	O-2	962
E-4	881	O-3	1,028
E-5	881	O-4	1,087
E-6	881	O-5	1,198
E-7	911	O-6	1,349
E-8	962	O-7	1,458
E-9	¹ 1,003	O-8	1,598
W-1 ...	930	O-9	1,712
W-2 ...	968	O-10	² 1,878
W-3 ...	997		

¹If the veteran served as sergeant major of the Army, senior enlisted advisor of the Navy, chief master sergeant of the Air Force, sergeant major of the Marine Corps, or master chief petty officer of the Coast Guard, at the applicable time designated by section 1302 of this title, the surviving spouse's rate shall be \$1,082.

²If the veteran served as Chairman or Vice-Chairman of the Joint Chiefs of Staff, Chief of Staff of the Army, Chief of Naval Operations, Chief of Staff of the Air Force, Commandant of the Marine Corps, or Commandant of the Coast Guard, at the applicable time designated by section 1302 of this title, the surviving spouse's rate shall be \$2,013."

(c) ADDITIONAL DIC FOR CHILDREN.—Section 1311(b) is amended by striking "\$215" and inserting "\$222".

(d) AID AND ATTENDANCE ALLOWANCE.—Section 1311(c) is amended by striking "\$215" and inserting "\$222".

(e) HOUSEBOUND RATE.—Section 1311(d) is amended by striking "\$104" and inserting "\$107".

SEC. 6. DEPENDENCY AND INDEMNITY COMPENSATION FOR CHILDREN.

(a) DIC FOR ORPHAN CHILDREN.—Section 1313(a) is amended—

(1) by striking "\$361" in paragraph (1) and inserting "\$373";

(2) by striking "\$520" in paragraph (2) and inserting "\$538";

(3) by striking "\$675" in paragraph (3) and inserting "\$699"; and

(4) by striking "\$675" and "\$132" in paragraph (4) and inserting "\$699" and "\$136", respectively.

(b) SUPPLEMENTAL DIC FOR DISABLED ADULT CHILDREN.—Section 1314 is amended—

(1) by striking "\$215" in subsection (a) and inserting "\$222";

(2) by striking "\$361" in subsection (b) and inserting "\$373"; and

(3) by striking "\$182" in subsection (c) and inserting "\$188".

SEC. 7. EFFECTIVE DATE.

The amendments made by this Act shall take effect on December 1, 1999.

Amend the title so as to read "An Act to amend title 38, United States Code, to provide a cost-of-living adjustment in the rates of disability compensation for veterans with service-connected disabilities and the rates of dependency and indemnity compensation for survivors of such veterans."

Ms. COLLINS. I ask unanimous consent the Senate agree to the amendments of the House.

The PRESIDING OFFICER. Without objection, it is so ordered.

U.S. HOLOCAUST ASSETS COMMISSION EXTENSION ACT OF 1999

Ms. COLLINS. Mr. President, I ask unanimous consent the Banking Committee be discharged from further consideration of H.R. 2401, and the Senate proceed to its immediate consideration.

The PRESIDING OFFICER. Without objection, it is so ordered. The clerk will report the bill by title.

The legislative clerk read as follows:

A bill (H.R. 2401) to amend the U.S. Holocaust Assets Commission Act of 1998 to extend the period by which the final report is due and to authorize additional funding.

There being no objection, the Senate proceeded to consider the bill.

Ms. COLLINS. I ask unanimous consent the bill be read the third time and passed, the motion to reconsider be laid upon the table, and any statements relating to the bill be printed in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

The bill (H.R. 2401) was read the third time and passed.

AMENDING THE FEDERAL RESERVE ACT

Ms. COLLINS. Mr. President, I ask unanimous consent the Banking Committee be discharged from further consideration of H.R. 1094, and the Senate proceed to its immediate consideration.

The PRESIDING OFFICER. Without objection, it is so ordered. The clerk will report the bill by title.

The legislative clerk read as follows:

A bill (H.R. 1094) to amend the Federal Reserve Act to broaden the range of discount

window loans which may be used as collateral for Federal reserve notes.

There being no objection, the Senate proceeded to consider the bill.

Mr. GRAMM. Mr. President, today the Senate is taking up for its consideration H.R. 1094, a bill to amend the Federal Reserve Act to broaden the range of discount window loans which may be used as collateral for Federal Reserve notes. This legislation will expand the field of assets that the Federal Reserve may use to collateralize Federal Reserve notes. All currency in circulation must be backed by specific assets, but much of the collateral that the Federal Reserve accepts for discount window loans is ineligible under current law for use to back the currency. The changes put in place by this legislation will allow the Federal Reserve to apply all eligible discount loan assets to collateralize the currency.

This legislation poses some risks unless adequate safeguards are in place. The Federal Reserve applies a discount to each type of asset used as collateral. Broadening the scope of eligible assets makes it even more imperative that strict and aggressive discounting be applied to any assets used to back U.S. currency. The Federal Reserve should discount aggressively these assets through an objective and clearly defined process that leaves no room for doubt that our currency is fully backed by reliable assets. At the most basic level, when valuing these assets this should be our general rule: when in doubt, discount.

Failure to discount collateral assets aggressively would do more than threaten the safety and soundness of the Federal Reserve's balance sheet; it would threaten the U.S. economy and all economies that rely on a stable dollar. Many countries around the world recently have learned a painful lesson on the value of a sound currency.

We must remember that any country can engage in monetary mismanagement, and most have at some point in time. The United States must avoid that path. With a currency that is considered a stable medium by U.S. citizens and a store of value by both domestic and foreign investors, the Federal Reserve must hold sound money paramount as it implements this important change in currency collateral requirements. It has taken nearly two decades to rebuild the reputation of the dollar after the inflation of the Carter years. Today, "sound as a dollar" has meaning here and all over the world. We must do nothing to undermine it.

Ms. COLLINS. I ask unanimous consent the bill be read the third time and passed, the motion to reconsider be laid upon the table, and any statements relating to the bill be printed in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

The bill (H.R. 1094) was read the third time and passed.