They have come to those people in Congress, the liberal majority in the Democratic Party that have been their greatest beneficiaries of their largesse of the working men and women's resources and said, "You must carry through the halls of Congress on our behalf legislation that will make it more possible for us to more easily convince people they must join unions so that we can have more resources." This is not a bill that helps the working men and women of this country.

Eighty-eight percent of the private-sector working men and women in this ountry have said in very clear and efinite tones, "We prefer to put our confidence in ourselves and our working relationship with management. We prefer not to join a union."

Mr. BALLENGER. I did not do one more thing on the polls, but there was a poll in question of people saying, "Why do you not want to join a union where you work? Are you afraid of the employer's reaction? Do you not like a union? Are you antiunion? Do you not think a union would help or protect my interests? Not relevant to my job?" These are the questions they asked.

This is the answer that people gave. First of all, a very small group were afraid to join. Ten percent were antiunion. Nineteen percent said it would not help them if they joined a union. Twenty-seven percent said it was not even relevant to the job they were on. Eight percent said there were better ways of doing the whole thing. Twenty-five percent said there were other reasons that they did not join.

In other words, every legitimate excuse you can think of was not to join the union.

Mr. DELAY. If the gentleman will yield further, so the obvious reaction of the unions, because they cannot entice these working men and women to join their unions, is to create havoc amongst our labor force by forcing strikes, and the purpose of our labor laws, as we all know, is to encourage industrial peace. We have gotten that kind of peace, and workers have not seen diminishing wages or benefits over the last few years.

In fact, the Labor Department points out that in 1988 there were 187 major work stoppages, strikes and lockouts, involving 1,000 or more workers. The number declined to under 100 in 1982, and a record low of 40, 40, was hit in 1980. Last year there were only 44 major work stoppages involving strikes or lockouts of companies involving 1,000 or more workers. So workers are gaining their benefits. They are getting the higher wages. The incomes are going up. There is peace in our industrial base.

Yet, the unions are declining, and they understand that, and they want to increase that disruption in the industry today so that they can gain more members.

I might just say, in adding to the comments of the gentleman from Texas about forcing people to join unions and paying dues, the unions, by the way, oppose those bills that have been introduced in efforts to disclose how they spend that money. They do not even want to disclose how they spend dues that are forced upon workers and the rank-and-file members.

FMLN MUST RENOUNCE ASSASSINATION

(Mr. MOAKLEY asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MOAKLEY. Mr. Speaker, all of us in the Congress were outraged at the news last week that two members of a social service organization in El Salvador were brutally tortured and one murdered. Suspicion has understandably been cast on the rightwing in El Salvador as being responsible for this despicable act.

But the extreme right in El Salvador has no monopoly on murder and destruction in that country.

I rise today to condemn the recent FMLN slaying of Salvadoran Army Capt. Carlos Alfredo Lopez—which took place on June 17. The captain was killed not in the heat of some battle but off-duty and in civilian clothes. He was killed in front of his home and leaves behind a wife and two little daughters.

Mr. Speaker, in my view there is simply no excuse for this type of behavior. No grounds of ideology or difference of political belief justifies cold blooded murder. And what is more astounding to me is that the FMLN proudly claimed credit for this atrocity—at a time when its leaders claim to want more understanding from the international community.

This type of action undermines the peace talks and encourages extremists on both sides of initiate similar actions.

Mr. Speaker, the negotiations between the Salvadoran Government and the opposition FMLN are continuing—due in large part to the steadfast efforts of the United Nations mediator Alvaro de Soto.

These negotiations are clearly at a delicate stage and it is important that both sides make every effort to advance the talks and refrain from actions designed to disrupt them.

The FMLN claims to honor justice and desire peace. So today I say to the FMLN prove that you mean what you say—renounce assassination and prosecure the murderers among you just as you challenge the military to prosecute its own killers.

BANKING INDUSTRY FACING SEVERE DIFFICULTIES

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Iowa [Mr. LEACH] is recognized for 60 minutes.

Mr. LEACH. Mr. Speaker, I am rising today to address several aspects of the seminal banking legislation which is likely to be brought to the floor shortly before or after the August recess.

When the House Banking Committee began considering the administration's legislative package, the Financial Institutions Safety and Consumer Choice Act of 1991, I viewed the legislation as a much-needed opportunity for Congress to improve prudential standards in the banking industry. If the bill, as reported out of committee 2 weeks ago, were to become law, however, it is my view that the Nation's banking system will be less safe and sound, and the taxpayer put at a great risk. Accordingly, despite my respect for the advocates of comprehensive banking reform, I felt compelled to vote against the Banking Committee's final legislative package. It is my hope that as this bill works its way through this House, improvements can be made in order that Congress will not make the same mistakes it did with the thrift industry.

As my colleagues understand, the banking industry is facing severe difficulties. Since 1980 more than 1,250 banks have failed or received Federal assistance. The Federal Deposit Insurance Corporation's bank insurance fund is at an historically low level and its Chairman and the General Accounting Office [GAO] have indicated that unless Congress acts it will become insolvent in the near future. Many of the Nation's largest banks are reeling from imprudential loans to developing countries, to takeover artists, and to speculators in commercial real estate. According to reports from the GAO and committee hearings, Federal bank regulators have been woefully inadequate in their supervision and oversight of these larger institutions.

The bill approved by the committee does address a number of these problems. First, the troubled FDIC would be permitted to borrow up to $30 billion from the Treasury, with the borrowings to be paid back by the banking industry, not the taxpayer.

Second, regulators would be given additional supervisory powers in order to better protect the deposit insurance funds. In many cases regulators would be required to impose sanctions if undercapitalized banks fail to remedy their financial situation, requiring them to raise capital, dismiss officers and directors, and suspend dividends.

Third, the likelihood of bank runs and depositor losses like those recently seen in Rhode Island and those which occurred in the last decade in Ohio and Maryland would be greatly diminished by a provision I added which would require all depository institutions to have Federal deposit insurance and thus standardized governmental oversight.

In the final measure, however, crucial provisions in this bill would jeopardize rather than promote stability and efficiency in our financial mar-

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kets. Of utmost concern to this Member are those provisions which allow commercial enterprises like Exxon, IBM, and Sony to control U.S. banks, the failure of the committee to mandate higher capital standards for federally insured institutions, and the lack of deposit insurance reforms.

MIXING OF BANKING AND COMMERCE

It may be proper for the administration to have proposed that Federal banking laws—Glass-Steagall—be reformed in such a manner as to allow commercial banks to compete more equitably with investment banks. It may also have been prudent for it to have suggested greater discretion in interstate borrowing and lending—modification of the Douglas amendment and McFadden Act—in recognition of changes wrought in the marketplace by revolutions in communications and the sanctioning of interstate banking by 7 of the 50 State legislatures.

But it was improper, imprudent—indeed, impudent—for the administration to propose and the committee in its markup to accept breaching the legal walls that have historically separated commerce and banking.

What is at stake in the internal combusting of commerce and banking is economic democracy, the question of whether the voice of small businesses and ordinary citizens will be heard in a world of financial conglomeration.

There is simply no issue which jeopardizes the principles of Jeffersonian and Jacksonian democracy more than allowing mammoth commercial enterprises to control banks. Such a conglomeration of economic power would have the effect of concentrating monetary and credit allocation decisions in the very largest multinational corporations, including those headquartered in Tokyo and Frankfurt.

If this radical departure from law and custom is adopted, the Federal safety net will be extended beyond the banking system, with deposit insurance potentially applied to broader reaches of the economy. The market economy will be even more contaminated with taxpayer guarantees. After the S&L debacle it would seem that a prudential Congress would want to limit and isolate the role of such guarantees, not exponentially expand them.

Instead of a too-big-to-fail doctrine, Congress and the American people would be confronted with a much too big to fail challenge to the economy. If banking concerns such as Bank of New England had been allowed to merge with First Executive Life and be controlled by commercial enterprises carrying prestigious names like Eastern Airlines, Chrysler, or Time-Warner, bailouts could take on mega proportions and become the yearly norm rather than generational aberration.

Proponents of merging commerce and banking argue that this change is needed in order to assist in the recapitalization of the banking industry. Yet it is uncertain why commercial companies with excess capital would want to invest in an industry hallmarked by overcapacity. Ironically, those corporations most interested in controlling large banks are sophisticated leveraging artists. In fact, if large commercial enterprises are given access to Federal deposit insurance, they may well find it advantageous to expand their financial activities sui generis in newly established entities, leaving existing weak institutions more vulnerable, susceptible to larger taxpayer bailouts.

Of particular concern to this Member were attempts in committee to broaden the insurance activities of the largest banks. The next great wrench in the financial community is likely to come from the insurance industry. There is simply no case to be made that the pubic is underserved or that there is lack of competition in insurance. Granting insurance underwriting powers to large banks and letting them market interstate could cause a bad situation to become worse in the insurance industry with the propect of public bailouts or policyholder defaults looming ominously.

It is understandable that the administration, as reflected in its legislative proposal on banking, has panicked about the condition of the larger banks. It, however, would be a mistake to so tilt the economy to benefit a few institutions that the public as well as competing financial institutions would suffer. The irony that the biggest rewards would go to those who made the biggest mistakes; that the propelling influence of big banks today is their weakness rather than their strength should not be lost on this Congress.

In the 1980's, regulators and Congress allowed commercial enterprises and real estate developers to own S&L's in order to provide much-needed capital to a struggling industry. As evidenced by the half-trillion-dollar taxpayer bailout, this decision provided little capital and only exacerbated the thrift industry's problems. S&L purchasers, such as Charles Keating, did not choose to recapitalize the thrift industry but instead, used S&L's as private piggy banks, taking advantage of the low-cost funds associated with insured deposits to fund risky commercial ventures.

Similar abuses could too easily plague the banking industry if Congress allows commercial enterprises to own banks.

Commercial firms in difficulty or lacking significant capital resources will have every incentive to take advantage of the banks they own. Management of these firms could easily be lured to literally bet the bank on risky ventures, poor credit customers, or interest rate speculation. As we learned from the S&L industry, the existence of deposit insurance allows financial institution managers to socialize losses, but privatize profit. In a circumstance where heads, the bank wins—tails the taxpayer loses, society is vulnerable to the foolish, the dishonest, or simply the unlucky.

It is a myth to assume conflicts of interest can be avoided when banks expand activities beyond basic lending functions. In time of stress—that is, when needed most—firewalls not only do not work, they become conduits of economic electricity. Macroeconomic strains or microeconomic misjudgments can too easily cause firewalls to become walls of fire: sources of contagion rather than prophylaxis.

In advancing legislation that would have the effect of propelling consolidation in banking the administration and may outside observers expressed concern that there is no U.S. bank in the top 20 and note that 7 of the top 10 banks in total assets are Japanese. Proponents of the radical elements of this bill appear to want to have our banking system ape the Japanese, whose banks are allowed close associations with commercial entities.

Size, however, is no measure of quality. Japanese banks are bigger because there are fewer. In America, we have more than 12,000 banking institutions and generally speaking, as measured by capital ratios, strength is in inverse proportion to size. What matters is not how big individual institutions are, but how strong the banking system is. In America, 90-plus percent of her banks are solid, and even the larger institutions undergoing stress are not handicaped in relation to their foreign competition because of lack of size.

Efforts in the past decade, particularly in California, by Japanese banks to increase market share at the expense of loan quality and institution profitability underscore why the Japanese system should not be a prototype for the U.S. banking system. After all it is the United States, not Japan, which has the most advanced capital markets in the world. Collateralized obligations, secondary markets, electronic processing have all drastically changed U.S. financial markets. It has, in fact, been these changes which have contributed to the decline in the competitive position of the larger U.S. banks. Such advancements have not fully hit the Japanese capital markets, because the Japanese Government has protected its banks not only from foreign competition, but from new technological developments.

Like the United States, Japan separates investment and commercial banking. Unlike the United States, its Government protects individual institutions as well as industries themselves. The hegemonic features of the Japanese economy are antipathetic to traditional American economic and political beliefs. The American heritage is that governmental intervention in the market system should be to ensure competition, not protect oligopolistic Keiretsus.

As an aside, Mr. Speaker, the full House should know that the bill as reported by the Banking Committee pro-