

it and in accordance with law as may be necessary: *Provided*, That the amount available for administrative expenses to carry out the credit and insurance programs (including an amount for official reception and representation expenses which shall not exceed \$35,000) shall not exceed \$32,000,000: *Provided further*, That project-specific transaction costs, including direct and indirect costs incurred in claims settlements, and other direct costs associated with services provided to specific investors or potential investors pursuant to section 234 of the Foreign Assistance Act of 1961, shall not be considered administrative expenses for the purposes of this heading.

Mr. PORTER. Mr. Chairman, I move to strike the last word to engage the chairman of the subcommittee in a colloquy.

Mr. Chairman, I am seeking clarification with regard to a provision we included in the bill regarding Economic Support Funds for Turkey. It is my understanding that this provision limits the overall level of assistance to \$40 million, with no less than half of the funds to be spent on democracy building and other activities by nongovernmental organizations, private voluntary organizations or other instrumentalities, and these funds will be administered through the Agency for International Development.

Mr. CALLAHAN. Mr. Chairman, will the gentleman yield?

Mr. PORTER. I yield to the gentleman from Alabama.

Mr. CALLAHAN. The gentleman is correct. The Agency for International Development will be responsible for administering the project elements of section 571 utilizing NGO's, PVO's and other instrumentalities consistent with the purposes outlined in this section and in consultation with this subcommittee.

Mr. PORTER. I would also like to clarify that these two tracks of assistance are not severable, and if for whatever reason the directed assistance were not provided and spent in the manner provided in the bill, then the government of Turkey would not receive the direct government-to-government assistance.

Mr. CALLAHAN. That is the intention of the committee in including the provision, and the administration will be apprised that this is the appropriate interpretation of this provision.

Mr. PORTER. I thank the gentleman for taking the time to clarify this matter and for his leadership on this issue.

Mr. BILIRAKIS. Mr. Chairman, will the gentleman yield?

Mr. PORTER. I yield to the gentleman from Florida.

Mr. BILIRAKIS. I thank the gentleman for yielding.

Mr. Chairman, I wish to engage the distinguished gentleman from Illinois, a member of the Committee on Appropriations, in a further discussion on the issue of Economic Support Funds to Turkey.

Mr. PORTER. I am pleased to engage in a discussion with the gentleman from Florida.

Mr. BILIRAKIS. As the gentleman knows, I had originally intended to

offer a bipartisan amendment with the gentleman from Indiana [Mr. VIS-CLOSKY]. However, based on this discussion and the one preceding it, I will not offer my amendment.

It is my understanding that the concept of the Economic Support Fund was first established in the foreign assistance act of 1961 because Congress recognized that special circumstances, either economic, political or security conditions, may necessitate the need to give economic assistance to foreign countries. The ESF is a flexible but complex aid category and continues play an important role in promoting U.S. interests overseas.

Last Congress ESF funds were made available to Turkey to support efforts to reform its economy. This Congress only \$20 million in ESF funds will be made available as a cash transfer to the Turkish government, a 10 percent reduction from the fiscal year 1997 level.

Mr. PORTER. The gentleman is correct. The Economic Support Fund helps provide economic assistance for countries that, given special circumstances, may require U.S. aid. In addition, the ESF funds made available as a cash transfer to the government of Turkey will be no more than \$20 million for fiscal year 1998.

Mr. BILIRAKIS. If the gentleman will further yield, it is my understanding that the NGOs and PVOs referred to in the gentleman's colloquy with the distinguished gentleman from Alabama [Mr. CALLAHAN], the chairman of the Subcommittee on Foreign Operations, Export Financing and Related Programs of the Committee on Appropriations, referred to nongovernmental organizations and private voluntary organizations. It is also my understanding that at least \$20 million of the assistance available in section 571 will be spent on democracy building and other economic development activities administered by the U.S. Agency for International Development. This agency will utilize NGOs, PVOs and other instrumentalities.

Mr. PORTER. The gentleman is correct. My understanding of the assistance made available in section 571 is that no less than half the funds are made available for democracy building and other activities by nongovernmental organizations.

Mr. BILIRAKIS. I thank the gentleman so very much for his clarification on this issue.

Mr. TAYLOR of North Carolina. Mr. Chairman, I move to strike the last word to engage in a colloquy with the gentleman from Alabama, the chairman of the subcommittee.

Mr. Chairman, I intended to offer an amendment to establish a pilot program to provide affordable housing in the Russian Federation. This program would prohibit any funds from being used to support Russian military housing. It has the support of the gentleman from New York [Mr. GILMAN] the authorizing committee chairman,

and also the gentleman from Indiana [Mr. HAMILTON], the ranking member. I understand that the gentleman will pursue this program with the executive branch. It is my understanding that he will also pursue this concept in conference. Therefore, my legislative language is not necessary. Is that the understanding of the gentleman from Alabama?

Mr. CALLAHAN. Mr. Chairman, will the gentleman yield?

Mr. TAYLOR of North Carolina. I yield to the gentleman from Alabama.

Mr. CALLAHAN. I thank the gentleman first of all for withdrawing his amendment because he knows my feeling on language in this bill, but by withdrawing it, we will pursue this issue in conference and I will also discuss this pilot program with the executive branch as well.

Mr. TAYLOR of North Carolina. I thank the gentleman very much.

Mr. CALLAHAN. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly, the Committee rose; and the Speaker having resumed the chair, Mr. THORNBERRY, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 2159) making appropriations for foreign operations, export financing, and related programs for the fiscal year ending September 30, 1998, and for other purposes, had come to no resolution thereon.

CONFERENCE REPORT ON H.R. 2014, TAXPAYER RELIEF ACT OF 1997

Mr. ARCHER submitted the following conference report and statement on the bill (H.R. 2014) to provide for reconciliation pursuant to subsections (b)(2) and (d) of section 105 of the concurrent resolution on the budget for fiscal year 1998:

[The conferent report will be printed in the next issue of the RECORD.]

□ 1830

ANNOUNCEMENT OF AVAILABILITY OF H.R. 2014, TAXPAYER RELIEF ACT OF 1997, ON THE INTERNET

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

Mr. ARCHER. Mr. Speaker, I rise to alert all Members that this evening this entire bill will be on the Internet so that any Member who wishes to peruse it and to learn its entire contents will be able to do so tonight before it comes out on the floor tomorrow.

FOREIGN OPERATIONS, EXPORT FINANCING, AND RELATED PROGRAMS APPROPRIATIONS ACT, 1998

The SPEAKER. Pursuant to the order of the House of Thursday, July

24, 1997, and rule XXIII, the Chair declares the House in the Committee of the Whole House on the State of the Union for the further consideration of the bill, H.R. 2159.

□ 1831

IN THE COMMITTEE OF THE WHOLE

Accordingly, the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill (H.R. 2159) making appropriations for foreign operations, export financing and related programs for the fiscal year ending September 30, 1998, and for other purposes, with Mr. THORNBERRY in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. When the Committee of the Whole rose earlier today, the bill had been read through page 4, line 24.

For what purpose does the gentleman from California [Mr. ROYCE] rise?

AMENDMENT NO. 13 OFFERED BY MR. ROYCE

Mr. ROYCE. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment No. 13 offered by Mr. ROYCE: In Title I, under the heading "Overseas Private Investment Corporation Noncredit Account" after "\$32,000,000" insert "(reduced by \$11,200,000)".

Mr. CALLAHAN. Mr. Chairman, I ask unanimous consent that all debate on this amendment and all amendments thereto close in 40 minutes and that the time be equally divided.

The CHAIRMAN. Is there objection to the request of the gentleman from Alabama?

There was no objection.

The CHAIRMAN. The gentleman from California [Mr. ROYCE] will control 20 minutes. Does the gentleman from Alabama [Mr. CALLAHAN] seek time in opposition?

Mr. CALLAHAN. Yes, Mr. Chairman, I seek time in opposition.

The CHAIRMAN. The gentleman from Alabama [Mr. CALLAHAN] will control 20 minutes, and the gentleman from California [Mr. ROYCE] is recognized for 20 minutes in support of his amendment.

Mr. ROYCE. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, the Royce-Andrews-Kasich amendment cuts the operating expenses of the Overseas Private Investment Corporation. It puts it to a level that is more in keeping with the level of business this House has authorized for OPIC. Specifically, this amendment reduces the administrative appropriations by \$11.2 million, from \$32 million to \$20.8 million.

This amendment is supported by a diverse coalition of 12 organizations, organizations who come at it from differing perspectives but groups united by the view that the U.S. Government should not be in the business of insuring American corporations to invest abroad and making loans to American corporations to encourage them to invest abroad.

Now, there are many in this body who would like to see OPIC closed. That is the position of the 12 groups. Many of us fundamentally question why the American taxpayer should be supporting a government agency that makes loans and issues risk insurance when these services are available privately. And despite what OPIC and its supporters say, there are companies that would do this business. Maybe not at the rates that OPIC offers, but that is the point. OPIC is a business subsidy.

So let me ask my colleagues, many of whom have worked hard to give to the private sector what government services can better be done by the private sector, let me ask them to ask themselves why should OPIC be an exception to this rule? Why do we have a government agency competing with the private sector? That is the American financial services sector that they compete with, the most efficient in the world. And also ask why the American taxpayers should be liable to potentially multi-billion dollar losses, and that is what we are talking about.

Do Members in this body recall the S&L crisis? It was not that long ago. Yes, OPIC has not had large losses, but the problem is there. Remember, we were given assurances that there would be no S&L problem.

So I want to point out OPIC's risky loans. Members, look at how many are rated D or D-minus or F or F-minus and FF-minus. Common sense should tell us something is not right here.

And many of us wonder why some of our largest businesses should benefit from OPIC subsidies. Do Coca-Cola and AT&T and McDonald's really need OPIC to make a profit abroad?

Let us not show so little faith in the power of American businesses and the American economy, which year after year ranks as the most competitive in the world, and please do not tell me that Coca-Cola, which just announced an 88 percent increase in earnings for the second quarter, is not a world class company because of the Overseas Private Investment Corporation.

Do not get me wrong, these are great companies, the backbone of the American economy, but they do not need OPIC, and we hear that OPIC does not cost the American taxpayers a dime. That is a mantra of OPIC supporters, yet the Congressional Research Service has reported that OPIC has cost a minimum of \$73 million over the last few years, and the Congressional Budget Office tells us that we would save \$296 billion if we ended the program.

Last, we hear that OPIC creates jobs. I ask my colleagues that logic. Members come down to the floor every day and praise the American economy. They say how dynamic it is, and they are right. We have the most dynamic economy in the world. That is not because we have OPIC creating jobs. Consider that the Congressional Research Service has reported there is little theoretical support or empirical evidence

which supports claims that subsidizing exports or overseas investment offers a positive net gain in jobs in the U.S. economy.

There is simply no justification for appropriating \$32 million to OPIC today. This is a 50 percent increase in appropriations from 1994, and no more business is being authorized than was authorized then.

I ask my colleagues why does OPIC need this additional money? Let us cut it back.

Mr. Chairman, I reserve the balance of my time.

Mr. CALLAHAN. Mr. Chairman, I ask unanimous consent that one-half of my time be yielded to the gentlewoman from California [Ms. PELOSI] and that she be allowed to further yield time.

The CHAIRMAN. Is there objection to the request of the gentleman from Alabama?

There was no objection.

Mr. CALLAHAN. Mr. Chairman, I rise in opposition to the amendment, and in staunch opposition, but I first yield 3 minutes to the gentleman from Nebraska [Mr. BEREUTER], who is chairman of the Committee on International Relations' Subcommittee on Asia and the Pacific.

[Mr. BEREUTER asked and was given permission to revise and extend his remarks.]

Mr. BEREUTER. Mr. Chairman, I do rise in strong opposition to the Royce amendment.

Mr. Chairman, they are laughing and gloating in Germany, France and Japan over this amendment to gut the Overseas Private Investment Corporation. Those three countries, among others, will be fighting over the hundreds of thousands of jobs and trillions of dollars in infrastructure projects if the House votes to pass the Royce amendment and gut OPIC. United States foreign policy and investment insurance agencies. The Japanese Government already out-subsidizes our investment insurance 6 times to 1 as a percentage of GDP. Germany spends 5 times more, and France 4 times more than the United States to help their companies win lucrative infrastructure projects in the developing world, and those infrastructure projects lead to a whole series of other American job creating activities.

Mr. Chairman, this Member finds it truly amazing that some of our well-intended colleagues would thus hurt our Nation in so shortsighted an effort to eliminate funding for an agency of the Federal Government which runs at no net cost and helps make our companies competitive in the global marketplace.

At a time when the U.S. trade deficit is hitting record highs, supporters of the Royce amendment feel compelled to remain in those isolated, academic, ivory towers chastising government involved in overseas investments. Well, Mr. Chairman, in a perfect world governments would not have to be involved in subsidizing overseas investments.

□ 1845

In fact, I have added an amendment to an OPIC authorizing bill moving through the House Committee on International Relations which requires U.S. officials to negotiate with foreign competitors and put an end to these subsidies, and that is what we try to do through the OECD. We are making progress, but we are nowhere close. But until that time, therefore, our workers, our exporters, our businesses cannot afford to have the U.S. House of Representatives vote like a bunch of isolationists in ivory towers. The fact remains that foreign governments will fight and spend money to rustle jobs away from hard-working Americans.

Mr. Chairman, this Member urges his colleagues to vote for American workers and vote against the Royce amendment.

Let me bring, finally, a few facts to the attention of my colleagues. OPIC makes a profit every year since its creation. Here is what the net, net annual income was for OPIC. Starting in 1971, \$25.9 million. Today, last year, that particular year, 1996, \$208 million, nearly \$209 million. Here is the cumulative impact of U.S. exports generated, I hope, by OPIC. It has increased from \$687 million the first year, and we believe this, \$52,823,000,000 this last year. That is how much U.S. exports cumulatively was generated by OPIC.

Finally, take a look at the cumulative U.S. jobs created and generated by OPIC, and I mean directly, despite what we heard a minute ago. It has increased from a relatively small amount, 4,800 the first year; this year, 225,000 plus. That is how many additional American jobs were created by OPIC.

I urge my friends to oppose the Royce amendment.

Mr. ROYCE. Mr. Chairman, I yield 1 minute to the gentleman from Ohio [Mr. KASICH].

Mr. KASICH. Mr. Chairman, let me get the attention of my colleagues in the House on both sides of the aisle. We were just able to pass a bill that started to dramatically reform the operation of the Federal Government and get us to a balanced budget.

What is this vote about? This vote is about reforming corporate welfare.

Couple years ago we passed a bill that reformed welfare for people who did not have lobbyists. Now we have a family friendly bill that is on the House floor, and the reason why I say it is a family friendly bill is there have been more lobbyists hired to defend this big giveaway of the Federal Government, put more food on the plates of more people who were hired to represent the special interests in this regard. The fact is this program does not make any money. This program only gets money because of transfers of interest payments, intergovernment. It would be like arguing that the Department of Education makes money on their student loan program. It makes no money.

It also says to all of my colleagues back in their districts, when you have

a woman, when you have a man come up to you and tell you they want to start a small business and they would like a loan to open up a small business, they do not get these kind of sweetheart deals that the most profitable large multinational corporations get. Our operations in the amount of business we do with China does not involve one dime of any of these guarantees.

The fact is, if these business agreements make sense, let them get loans like everybody else does in this country. We do not need sweetheart deals, loan guarantees and direct loans from the Federal Government to help big business. Big business can compete and win, small business can compete and win by having an aggressive strategy to market their products, by balancing the budget and having an element of fairness.

So what I would suggest to Republicans as well as Democrats, if they marched to this floor and they voted for welfare reform bill that reformed the welfare programs for people who do not have lobbyists, it is time to come to the floor and cast a giant vote against corporate welfare and for the people who live next door.

Ms. PELOSI. Mr. Chairman, I yield 2½ minutes to the distinguished gentleman from Connecticut [Mr. GEJDENSON], a senior member of the Committee on International Relations.

Mr. GEJDENSON. Mr. Chairman, if the fact that there was a lobbyist in this town working on a bill was a reason to vote against it, then I guess everybody is going to vote against the tax cut tomorrow because the reality is on the merits we cannot beat OPIC. It makes money for the Treasury, it pays its own way, and it has created in the range of a quarter of a million high paying jobs in America. Where OPIC is rightfully prohibited from participating in places like China, when an American company goes after a contract, it gets a German Government insurance program and has to use German subsidiaries to provide much of the working product. The American private sector that is in financial instruments of this nature supports OPIC. They are not for its closure.

This is taking a great racehorse that has won race after race, tying up a leg or two and say, gee, it does not run so well any more. If we cut the money out of OPIC; it is its own money, it is not taxpayer money, it is money that is made in profit on its operations; we will end up with an agency that will not adequately be able to monitor its own operations. Kill it rather than vote for this amendment; \$2.7 billion in reserves in the Treasury, \$52 billion generated in exports, a quarter of a million jobs; if this is welfare, where is the welfare in this? This is a place where the private sector will not go, it is a place the private sector supports our Government's actions. It puts American families to work, it keeps us competitive internationally.

Some people around here talk, posing for holy pictures. This may be one: Members stand up and pose that they want to end a Government program; but do they not look at the facts if they are going to try to do that? Because the facts say this program is good for America, it is good for taxpayers, it is good for families that depend on the jobs from this very program.

Reject the amendment. It hobbles a great racehorse that does well for our economy.

Mr. Chairman, I urge Members to defeat this amendment and support a program that organizations and men and women in unions and nonunions alike benefit from the contracts American corporations get. This is an ill-advised amendment that will harm American workers.

Mr. ROYCE. Mr. Chairman, I yield 4 minutes to the gentleman from New Jersey [Mr. ANDREWS].

(Mr. ANDREWS asked and was given permission to revise and extend his remarks.)

Mr. ANDREWS. Mr. Chairman, I would like to thank my friend, the gentleman from California, for yielding time to me.

I urge my colleagues to vote in favor of this amendment. Mr. Chairman, I think the American people ought to know tonight where their money is going. Some of it is going to provide a loan guarantee for McDonald's to open restaurants in Brazil. Some of it is going to help subsidize the operation of a luxury hotel in Bermuda; or Jamaica, excuse me. Some of it is going to help General Electric Co. build a light bulb factory in Hungary.

Mr. Chairman, that is where the American people's money is going tonight, courtesy of OPIC. Where we should go tonight is a yes vote in favor of this amendment.

We are going to hear the arguments about the miraculous and wonderful things OPIC does. OPIC makes money because they invest in profitable deals. Mr. Chairman, if the deals are so profitable, then let OPIC proceed as a private firm with private risk and private capital and put their money at risk, not the money of the men and women that we represent.

We will hear that OPIC does not cost the taxpayers any money because what OPIC brings in is greater than what it puts out every year. The Congressional Budget Office disagrees. Its analysis is that if we terminated OPIC, over a 5-year period we would save \$296 million.

Mr. Chairman, OPIC also makes money the way another Federal agency used to make money. In 1987 the head of that Federal agency said that times are bright, good times are ahead, the revenues are rolling in. The head of that agency was the head of the Federal Home Loan Bank Board. He was talking about the savings and loan institutions. The good times ended, our money rolled out, and that agency lost

money, the same way OPIC would if its deals go sour.

We will hear that OPIC creates lots of jobs. But then we will hear the Congressional Research Service say that there is little or no empirical evidence to support that claim.

We will hear that exports for our country will dry up, that we will be unilaterally disarming in the war for exports if we get rid of OPIC. Here is the evidence. In countries that were eligible for OPIC treatment, U.S. firms exported \$3.6 billion last year. But in the Peoples Republic of China, ineligible for OPIC treatment, without one nickel of assistance from OPIC, exports were \$52 billion without OPIC. Mexico, which is also ineligible for OPIC subsidy, United States exports, \$28 billion, without a shred of help from OPIC. The evidence shows the exports do not increase.

Finally, we will hear that OPIC is a valuable tool to pursue the foreign policy goals of our country. Mr. Chairman, the foreign policy goals of our country should be decided and executed by us as the duly elected Representatives of the people, and by those who work for the President and the State Department, not by a quasi-public taxpayer-subsidized corporation, which, by the way, has been using its public subsidy this week to lobby us against cutting off its funding.

The letters have arrived, the doors have been knocked on, the advertising campaign has begun. For no other reason, for no other reason, our colleagues should support this amendment because we do not like the idea of people we are funding using that funding to lobby us on how to vote.

Do the American taxpayer a favor. Support our amendment.

Ms. PELOSI. Mr. Chairman, I am pleased to yield 2 minutes to the gentleman from New York [Mr. RANGEL], the distinguished ranking member of the Committee on Ways and Means, who is working on the tax bill.

(Mr. RANGEL asked and was given permission to revise and extend his remarks.)

Mr. RANGEL. Mr. Chairman, let me tell Members why I oppose this amendment and support OPIC. There is no question that this great democracy of ours has been responsible for taking a lot of dictatorships, a lot of military governments, and trying to make democracies out of them. We have had tremendous success in Africa, tremendous success in South America, and the one thing that makes democracies work is not just a good feeling, but that people are eating and people have jobs and people are doing things. That is what is necessary in order to have a democracy.

What is it that really makes a country not look for aid but is willing to be looking for trade? That is where we are looking for economic expansion. It is not just love and affection. We want markets there to sell our goods. If there is no disposable income, if they

are only asking for assistance, they cannot buy American goods.

Take Africa. The President of the United States finally recognized that here was a continent that was rich with resources that have not been developed. There are people that are skeptical about investing in Africa because they think these new young governments are unstable. Now comes OPIC and says, we will be there with you. We will give the guarantees. Just the President recognizing for trade purposes Africa has more than doubled the investments that are there.

What I am suggesting: Why would we shoot ourselves in the feet where the investments have increased when we started having OPIC in Asia, it has done well in Latin America, and now comes Africa's chance at bat to say we, too, need investment.

I do not know why when something is working and not losing money, and when the American people go and invest that money, and we know we get our return because our investors normally are buying American-made goods, and if we enrich the people that know that it was America, not France and not Germany that was there for them, for God's sake, do not tell Africa they have the opportunity to enjoy free trade with us and then we encourage American firms not to be there when they need them.

I oppose the amendment. The thing is working. Let us continue to support it.

Mr. ROYCE. Mr. Chairman, I yield 2¼ minutes to the gentleman from Illinois [Mr. JACKSON].

(Mr. JACKSON of Illinois asked and was given permission to revise and extend his remarks.)

Mr. JACKSON of Illinois. Mr. Chairman, if we are serious about Africa, we should give direct loan guarantees to the country that we are serious about, just like we do for Egypt or for Israel. Direct loan guarantees is the way to be serious about investments in these countries.

OPIC, however, is not the vehicle by which we should make these investments. The amendment reduces the administrative appropriation for the Overseas Private Investment Corporation from \$32 to \$20.8 million. OPIC uses taxpayer money to provide direct loans and risk insurance to Fortune 500 companies, who are in turn firing American workers.

One year ago, the President and this Congress put an end to a six-decade minimum floor of entitlements for poor people, Aid to Families with Dependent Children, or AFDC. In my judgment, that minimal entitlement was justified on the basis of simple humanity and basic morality. But that view was defeated, and the minimum floor was pulled from underneath the poor.

Yet, the corporations, many of whom have been lobbying us all week long, want to continue their AFDC program, or aid for dependent corporations, with their record profits and management

salaries and benefits. They have no such humanitarian claim or moral claim to this particular subsidy. The cost to American taxpayers and workers simply cannot be justified.

OPIC bestows upon these corporations welfare through direct loans, subsidized loan guarantees, and political risk insurance. Imagine that, a Fortune 500 company needing political risk insurance in a Third World country.

With the full faith and credit of the U.S. Government and backing of business ventures, OPIC's corporate clients have eliminated thousands of American jobs. With the destabilizing effects of corporate downsizing on American workers and their families, we should not be providing these incentives for America's corporate giants to invest abroad, taking advantage of low-wage costs, lower standards, and often exploitive working conditions of the Third World.

Mr. Chairman, in the final analysis, we must raise their standards, the standards of people in the Third World, not lower ours to meet theirs in an increasingly global economy. Mr. Chairman, if we are serious about Africa and serious about the Third World, let us give the same kinds of loan guarantees to African nations that we also give to Israel and to Egypt. That is fair. Vote in support of the Royce-Andrews-Kasich amendment.

Mr. CALLAHAN. Mr. Chairman, I yield 2½ minutes to the gentleman from Illinois [Mr. MANZULLO].

Mr. MANZULLO. Mr. Chairman, OPIC provides a unique service to this country. It provides political risk insurance. That does three things: currency and convertibility, political violence, and seizure of assets. That is pretty unusual.

There is a statement made that OPIC, if it is really great, can be privatized. The answer is no. I have a letter here from Zurich Insurance Group that is addressed to me in direct response to a Dear Colleague letter sent around by the gentleman from California [Mr. ROYCE] and the gentleman from Ohio [Mr. KASICH] asking if Zurich America intends to enter the same market as that of OPIC, if OPIC is eliminated. The answer to that is no.

Sean Cassidy, the vice president of Federal Affairs, said that Zurich does not intend to compete directly with OPIC, but rather, complement OPIC's coverage. So, therefore, there is no company that is ready to pick up OPIC should it be privatized.

Second of all, here is how OPIC makes money. This is Price Waterhouse's statement for the past year. OPIC takes in \$299,000, and here it comes, through political risk insurance premiums, that is \$81 million, investment financing, \$52 million, interest on U.S. Treasury securities, \$166 million. Even if we take out the interest on the U.S. Treasury securities, it still comes up making about \$45 million a year. It actually makes money. OPIC makes money and it provides an insurance

service that nobody else can provide in this country.

What amazes me is the fact that OPIC steps into very unique situations and makes projects nobody else can do. Look what is going on just in Africa alone: In Uganda, Agro Management; in Tanzania, NBS Card Service in Africa; in Ethiopia, the Louisiana-Baton Rouge Schaffer & Associates; in Tanzania, a small business with ACG Co.; with Tanzania suppliers, ADCO.

All over Africa we see OPIC stepping into the gap, so we have small, emerging companies that are getting a foothold, and then after a while, such as in Hungary, OPIC backs out because it is no longer necessary to have political risk insurance, because when a country becomes a member of OECD it no longer is eligible for political risk insurance under OPIC.

So we have an organization here that actually makes money; not on paper, it actually makes money. We would urge the defeat of that amendment.

Mr. ROYCE. Mr. Chairman, I yield 2 minutes to the gentleman from Texas [Mr. PAUL].

Mr. PAUL. Mr. Chairman, I thank the gentleman for yielding time to me. This is a form of welfare that should be stopped. We have poor man's welfare, foreign welfare, and corporate welfare. This is an example of foreign and corporate welfare. The program really ought to be abolished.

If it is true that this program pays its own way, then there is no need for us to be here. Why are they asking for \$32 million? It is a good program. Some insurance company will take it over.

□ 1900

Obviously, they need the \$32 million that is in here. But there is something else involved here that is very, very important. On the very chart that was standing here a minute ago, it was showing that they do fabulously, this tremendous income of \$299 million in 1996, which is true. But in looking at this Price Waterhouse balance sheet, financial report for 1996, it shows that OPIC owns \$2.47 billion worth of bonds. Right above it, as a matter of fact, the line went through it, so you could not read it, it said that the income from these treasuries was \$166 million. That is what it is costing the taxpayers.

We are giving a subsidy to OPIC in the back door by paying interest. It appears on the budget as an interest payment. I mean this is really close to outright deception on the part of many here in the Congress as well as the American people. So it is not paying its own way.

The other argument, we heard it expressed several times now, is that this is a very necessary program because it goes where the private market will not go. That is precisely the reason we should not be there, because there is a risk. The businessman will not go there because it is too risky.

So what do we do? We ask the American taxpayers to back it up. What to

do? To take our businesses from this country, export the business and export the jobs. Most of this money goes to big companies. If we look at their record over the past 6 years, these big companies have had a significant shrinkage of employment. These jobs are going overseas. Programs like this serve to export jobs, and this amendment should be passed.

Ms. PELOSI. Mr. Chairman, I yield 10 seconds to the gentleman from Nebraska [Mr. BEREUTER].

Mr. BEREUTER. Mr. Chairman, we are allowing OPIC to spend money that they have earned. This is not a new appropriation.

Ms. PELOSI. Mr. Chairman, we have had considerable interest on our side on this issue. Members were not aware that there was going to be a time limitation on this. I ask unanimous consent for 10 additional minutes on this side in opposition to the OPIC amendment.

The CHAIRMAN. The Chair is only able to entertain such a request if it is 10 additional minutes for the proponents and opponents. Is that the gentleman's request?

Ms. PELOSI. Yes, Mr. Chairman.

The CHAIRMAN. The Chair's understanding of the request is 10 additional minutes for the opponents and 10 additional minutes for the gentleman from California [Mr. ROYCE].

Is there objection to the request of the gentleman from California?

There was no objection.

Ms. PELOSI. Mr. Chairman, I yield 2 minutes to the gentleman from Ohio (Mr. TRAFICANT).

(Mr. TRAFICANT asked and was given permission to revise and extend his remarks.)

Mr. TRAFICANT. Mr. Chairman, I want to talk about a different aspect. After encouragement from the White House themselves, a company in my district, Buchite International, is the only American company to agree to be a model company for investment in Gaza. Mr. Chairman, they have been ripped off big time, and we cannot allow this to happen.

In their dealings with the Cairo Amman Bank of Gaza, the corporate accounts were opened without proper documentation. Corporate checks denominated in dollars were endorsed and cashed by individuals without first being deposited into the account.

Canceled checks were not returned. Corporate funds in excess of \$100,000 were used to guarantee an overdraft facility of a private individual without authorization. The company had no knowledge or approval of this. A letter of guarantee was written by a bank without notifying the company, in strict violation of company instructions. Four point four million was invested, forcing them to default on a \$2 million loan.

Tomorrow I will be bringing an amendment and there may be some technicalities to that amendment. I want the Congress to allow that

amendment to go forward because the PLO and Palestinian authorities cannot rip off American companies. We cannot tolerate that. Vote your conscience on any of these amendments.

Mr. ROYCE. Mr. Chairman, I yield 2 minutes and 15 seconds to the gentleman from New Hampshire [Mr. BASS].

Mr. BASS. Mr. Chairman, I rise in strong support of the pending amendment which would reduce the OPIC account by 11.2 million. Let me emphasize this is not abolition of OPIC. This is a reduction in the administrative account. If I may quote from a letter from my distinguished colleague from California, he states here that OPIC uses taxpayers fund to provide loans, and the amendment would bring OPIC's administrative appropriation in line with its stated administrative cost.

According to OPIC, administrative expenses were 20.2 million in 1994. Even though OPIC has the same insurance and loan caps as it had in 1994, it has requested a 50 percent increase in appropriations from what administrative costs were in 1994.

It is a simple question of whether or not this corporation can operate with the same workload as it did in 1994, with the same administrative overhead.

We have heard about the fact that the loans are going to Fortune 500 companies that only 3 percent or three loans went to small businesses and 41 went to the Fortune 500 companies. But aside from subsidizing these megacorporations, OPIC has risked over \$8.7 billion in U.S. taxpayers money by underwriting risky investments in unstable regions of the world. Let me remind my friends that, should political unrest and turmoil upset these foreign markets, American taxpayers will be liable for the losses of OPIC insured corporations.

I heard one of my colleagues mention earlier, remember that the FDIC and the FSLIC could never go wrong. They always would make money and we know what happened in the savings and loan fiasco.

Mr. Chairman, OPIC is not contributing to reducing the deficit. The resources that come from the OPIC premiums that are received do not go into the Treasury. They go, as they should, to income, to a capital account to reduce the probability or possibility that there will be a default.

Mr. Chairman, I urge my colleagues to join the Americans for Tax Reform, Capital Watch, Citizens Against Government Waste, Citizens for a Sound Economy, Competitive Enterprise Institute, Friends of the Earth, National Taxpayers Union, Public Citizens and USPIRG in supporting this amendment.

Mr. CALLAHAN. Mr. Chairman, I yield 2 minutes and 30 seconds to the gentleman from New York [Mr. GILMAN], chairman of the Committee on International Relations.

(Mr. GILMAN asked and was given permission to revise and extend his remarks.)

Mr. GILMAN. Mr. Chairman, I rise in opposition to the amendment being offered by the gentleman from California [Mr. ROYCE] making a 35 percent cut in the operating budget of the Overseas Private Investment Corporation. The funds in OPIC's \$32 million administrative budget are fully offset revenues from those companies utilizing OPIC services.

I might add that the revenue has been increasing each and every year. In short, the cutting amendment does not save \$1 of taxpayer funds.

My colleagues should be aware that each year for the past two decades the premium and fee income from OPIC's programs have covered all of its operating costs. The adoption of this amendment would simply reduce the use of OPIC's own revenues. This amendment prevents OPIC from properly managing its \$23 billion portfolio of insurance policies, of loan guarantees and loans to American businesses.

While OPIC has some \$2.7 billion in reserve to protect the U.S. taxpayer, this amendment would not allow OPIC to use enough of its reserve funds to support its portfolio. In short, it is penny-wise and pound-foolish and will put the American taxpayer at risk.

By depriving the agency of administrative funds for next year, it will put thousands of jobs at risk and will stop any effort to develop new trade and investment initiatives in sub-Saharan Africa. OPIC does not cost a single taxpayer dollar. OPIC is required by law to operate on a self-sustaining basis. And since 1971, OPIC has reimbursed the government for every dollar of actual outlays it has received. Every objective review of OPIC's operations undertaken over the past two years by the CRS, J. P. Morgan and independent accounting firms and the General Accounting Office concluded that risky markets still exist where the private sector is reluctant to operate without public guarantees and insurance, such as those provided by OPIC.

This agency has a proven track record of experiencing few claims losses and recovering a large portion of its claims. All of our major trading partners have insurance and export financing agencies like OPIC. Taking us out of the export and investment assistance business is tantamount to unilateral disarmament of our American investment overseas. I urge defeat of the measure before us.

Mr. CALLAHAN. Mr. Chairman, I yield 1 minute to the gentleman from Nebraska [Mr. BEREUTER].

Mr. BEREUTER. Mr. Chairman, both the gentleman from New Hampshire and the gentleman from New York have talked about the administrative cost increases. Let me point out that the size of the loan portfolio has grown dramatically because of the mandate of Congress in 1994.

Take a look at the green bar chart. This shows the escalation of adminis-

trative costs from \$19 to \$32 over this period of time. But look at the loan portfolio they are managing: \$160 up to \$260, \$310. Actually they have been very, very conservative in the amount of money they have spent for administrative costs. They have done that despite having an authorization to manage this well. They have managed it well. They are doing a good job. We ought to continue to support them, to implement the congressional mandate.

Mr. ROYCE. Mr. Chairman, I yield 2 minutes to the gentleman from California [Mr. CAMPBELL].

(Mr. CAMPBELL asked and was given permission to revise and extend his remarks.)

Mr. CAMPBELL. Mr. Chairman, equity in our approach to welfare, safety for the American taxpayer, and sending the right signal to those countries that have not yet provided a reliable place for investment in the world, these are the three arguments that compel support for this amendment.

Equity. We have with difficulty struck down welfare program after welfare program or restricted it. We must be prepared to do the same when it comes to an aspect of corporate welfare, an aspect of favoritism for those companies who cannot stand on their own.

A question of risk. The chart that I have to my left is prepared by the Congressional Budget Office. That does a risk rating of the loans which are being insured by OPIC. It should not surprise us when we look at it to see such a concentration of these loans at the risky end of the spectrum, D, D minus, E, F, F minus. Why should it not surprise us? Because by definition OPIC is offering insurance for loans that were not otherwise able to be insured in the market.

Finally, sending the correct signal. There is something important that the market tells us when the market says it will not insure an investment in a country. It tells us that that country has not yet established its economic or governmental structure in such a way as to attract investment. And by affording insurance anyway, which the United States does through OPIC, we are sending a message and actually deterring, retarding the progress that that country might otherwise make. Driven by the necessity of coming into the world standard so that it would attract the type of insurance that would be available in the private market, fairness to all welfare recipients, safety for the American taxpayer, and sending the right signal to countries that have far to go, all compel a "yes" on the Royce amendment.

Ms. PELOSI. Mr. Chairman, I yield 1 minute to the gentleman from Illinois [Mr. DAVIS].

Mr. DAVIS of Illinois. Mr. Chairman, not very often will my colleagues find me taking a position that is contrary to that of my colleague from Chicago. But I rise in opposition to the amendment to cut OPIC.

I do so because we are a pace setter. We are a Nation that is known as a leader. We have been a leader in business and industry all over the world. I have been told that you cannot lead where you do not go, just as you cannot teach what you do not know.

If I know one thing, I know that if our corporations, if our companies, if our businesses are not there in the marketplace, then I know that they cannot do business.

□ 1915

And so that I urge that we oppose this amendment and let OPIC do its job, do its work, do its business.

Mr. ROYCE. Mr. Chairman, I yield 2 minutes to the gentleman from Connecticut [Mr. SHAYS].

Mr. SHAYS. Mr. Chairman, this Congress in the last 2½ years has sought to balance the Federal budget and get our country's financial house in order. We have sought to save our trust funds for not just future generations but present generations. And, thirdly, we have attempted as hard as we can to transform our caretaking, social, corporate and agricultural welfare state into a caring opportunity society.

We have worked hard to help mothers get work, a opportunity for employment and training to be free from welfare. We have seen an agricultural bill, the Freedom to Farm, wean farmers off welfare. And yet when it comes to corporate welfare, we seem to find every defense possible to continue it.

This amendment is not going to eliminate OPIC, it is going to reduce its administrative costs. There are some of us who would sincerely want to eliminate OPIC, totally privatize this operation. But, Mr. Chairman, this is a modest amendment. I support it. It is in line with everything we have attempted to do in transforming our caretaking, social, corporate and agricultural welfare state into what must become a caring opportunity society.

Ms. PELOSI. Mr. Chairman, I yield 1 minute to the gentleman from California, Mr. BRAD SHERMAN.

(Mr. SHERMAN asked and was given permission to revise and extend his remarks.)

Mr. SHERMAN. Mr. Chairman, I wish to address those who call OPIC corporate welfare.

We should remember who creates the risk in the first place. When the terrorists take the plane, they do not shoot the Norwegians first. They go after Americans because we play a prominent role in the world. And when rogue countries think of nationalizing assets, they do so because of American foreign policy and they threaten American assets first. We have an opportunity to insure our companies from risks that we as a government create.

There are those who say that OPIC is the next S&L mess. This amendment is an opportunity to make that a self-fulfilling prophecy. If we cut the administrative costs, if we cut the safeguards, if we cut those who are watching to

make sure that sound loans and guarantees are made, then we can sit back and laugh as mistakes are made, and sit back and say, "We told you they would make mistakes."

Mr. ROYCE. Mr. Chairman, I yield 2¼ minutes to the gentleman from Florida [Mr. MILLER].

Mr. MILLER of Florida. Mr. Chairman, I thank the gentleman for yielding me this time and I rise in support of this amendment.

I wish to reiterate an important point. The amendment does not eliminate OPIC. It merely reduces OPIC's administrative expenses down to a fiscally responsible level.

I am speaking on behalf of this amendment today because I believe subsidizing large corporations represents corporate welfare. Large multinational companies simply should not receive special treatment from the Federal Government.

I ran for Congress with the hope of reducing the size and scope of the Federal Government. But how can we ask one sector to accept cuts in Federal subsidies if we are not applying this practice fairly? Like the special interest groups, big business has to wean itself off the Federal dole as well.

In order to successfully reduce the size of government, every single line item that the Federal Government funds needs to be reviewed. These items need to meet three criteria: First, is the Federal program achieving its goal? Second, does it represent a true Federal priority? And, third, does it duplicate other existing Federal or private initiatives?

The Overseas Private Investment Corporation does not meet these criteria. To begin with, the program is not meeting its intended goals. Originally developed to help small domestic businesses compete internationally, OPIC funds are instead diverted towards multinational corporations that do not need special subsidies.

Second, this program does not represent a true Federal priority. Funding biomedical research to save people from life-threatening disease is a vital priority. Supplying weaponry and soldiers to keep this country safe is a Federal priority. However, providing corporate giveaways to large multinational companies in no way represents a Federal priority.

And finally, OPIC competes with and effectively crowds out private sector initiatives. Companies such as Exporters Insurance Company Limited, Zurich American Insurance Group, both provide risk insurance at competitive rates and terms without using hard-earned taxpayer financing.

For these reasons I encourage support of this amendment. This is not a needed Federal responsibility. There is a private sector alternative. We should support this amendment.

Mr. CALLAHAN. Mr. Chairman, I yield 1 minute to the gentleman from Illinois [Mr. MANZULLO].

Mr. MANZULLO. Mr. Chairman, I just heard my colleague from Florida

say that Zurich American is ready to take over OPIC, and I put into testimony a letter from Zurich American. They are not interested in taking over OPIC. Zurich American does not want to take over OPIC. We cannot privatize it because no one wants to go into that market, period. That should settle that argument.

Second of all, this is the rate of loss. It is 1 percent. It is one of the smallest rates of loss that any company can have. And it is not corporate welfare because American companies, multinational corporations, if they do business in more than one country they are multinational, they have to pay very high premiums to buy this insurance. It is the premium risk insurance that accounts for most of the profits that OPIC turns back.

Fourthly, today we are here not to get any new money from the government treasury for OPIC but to use the money that OPIC has made in terms of profits.

Mr. BEREUTER. Mr. Chairman, will the gentleman yield?

Mr. MANZULLO. I yield to the gentleman from Nebraska.

Mr. BEREUTER. Mr. Chairman, I wanted to say, with all that risk assessment we had from the gentleman from California [Mr. CAMPBELL], that the recovery rate is 98 percent. Ninety-eight percent recovery rate.

Mr. ROYCE. Mr. Chairman, I yield 2 minutes to the gentleman from Maryland [Mr. EHRLICH].

Mr. EHRLICH. Mr. Chairman, I thank the gentleman for yielding this time to me.

Mr. Chairman, a lot of us came to Congress to stop the endless growth in government, and we talk an awful lot about it, restoring a sense of common sense to what we do in this town. As an effort to accomplish those objectives, a lot of us have focused on flawed and nonsensical programs such as OPIC.

At the risk of being redundant, we have heard a lot of reasons to eliminate OPIC here today. It is risky, its portfolio has grown dramatically over the last several years, it is biased towards large Fortune 500 companies, it crowds out other entities in the market, it duplicates the products of private lenders and insurers. For those interested in the market, I should add. And it is unnecessary.

Emerging markets attracted \$243 billion in private investment in 1996. OPIC financed \$2.2 billion. These are sufficient reasons to eliminate OPIC, but what we are debating here today is simply the increase of administrative costs, and I rise in support of this more limited objective, in support of the Royce-Kasich amendment.

Make no mistake about it, there is no reason to increase OPIC's administrative budget. In fiscal year 1994, as has been stated, OPIC's current insurance and loan caps were established. OPIC's administrative expenses were \$20.2 million. Even though OPIC has the same insurance and loan caps

today as it had in 1994, it requested a 50 percent increase in appropriations above that 1994 level.

Since OPIC is not authorized to increase higher levels of insurance or loans and is a self-financed agency, there is no need to increase appropriations for OPIC's administrative expenses.

Mr. Chairman, at a time when Americans, in fact we are celebrating the fact that the government has been asked to do less and cut wasteful government spending, OPIC should not ask this Congress to do more. It makes no sense. Support the amendment.

Ms. PELOSI. Mr. Chairman, I yield 1 minute to the gentlewoman from Texas [Ms. JACKSON-LEE].

(Ms. JACKSON-LEE of Texas asked and was given permission to revise and extend her remarks.)

Ms. JACKSON-LEE of Texas. Mr. Chairman, I thank the gentlewoman from California for yielding this time to me, and I am saddened that I have to disagree with my other friend from California.

But let me say this in rebuttal to all I have heard about OPIC. It does create jobs. In fact, if we look right over here, we will see that a single project has created some 260 suppliers across the Nation. It creates small business opportunities and it does create jobs. At the same time, we will see this whole list of small business owners who are working because of OPIC.

How much can we realize that this is actually an opportunity for American businesses to do international business? Why would we shackle the hands of business to go across the Nation, to go across internationally, to go into Africa and India and China and result in dollars that come back to this country, where those who are in small businesses and elsewhere pay the taxes that make this government run?

Do not shackle the hands of those who are working internationally. Let us stand proud and make sure that we continue to create job opportunities and jobs for the citizens of America through small business.

Ms. PELOSI. Mr. Chairman, I yield 1½ minutes to the gentleman from Texas [Mr. BENTSEN].

(Mr. BENTSEN asked and was given permission to revise and extend his remarks.)

Mr. BENTSEN. Mr. Chairman, this is a penny-wise and pound-foolish amendment that is based on a flawed understanding of classical economics, and it actually has some tinges of mercantilism. It believes in a perfect world, and the fact is it is not a perfect world.

When we look at the facts we will find that the United States provides export subsidies amounting to about 3 percent of our exports, but the rest of the world, or many of our trading competitors, provide anywhere from 20 to 40 percent subsidization. So we are already dealing at a disadvantage in that case.

Second of all, this theory that this is somehow where the private sector

would go is, I think, very flawed as well. Because what we are talking about is lending the credit of the United States under a very controlled program, with losses that the gentleman from Nebraska pointed out are lower than most American mortgage pools are, and the recovery rate better.

The fact is the private sector will not go into these areas. If we are going to start believing in this theory, let us not stop here. Let us go after student loans and FHA, because that is the same theory as we are applying in that case.

Do we really want to walk away from emerging markets and have U.S. businesses walk away from that? There is no proof whatsoever, no proof provided by Americans for Tax Reform, or any other group that we have asked for, that there is crowding out of the market. That in and of itself is a flawed theory, that somehow we have reached our full capacity utilization, when we know that we have not.

So this is a bad amendment, it is a bad idea, it is bad for the American economy, and I hope our colleagues will vote it down.

Mr. ROYCE. Mr. Chairman, I yield 2 minutes to the gentleman from California [Mr. ROHRBACHER].

Mr. ROHRBACHER. Mr. Chairman, this idea that OPIC is creating jobs in the United States is so much nonsense I can hardly contain myself. We are talking about taxing the hardworking people of the United States in order to provide loan guarantees and subsidies for people who, not that they want to sell products overseas, but so that they can build manufacturing units overseas.

For people that want to know what that means, that means we are building companies that will compete with Americans and put Americans out of work and we are taxing the American people to do it. This is absurd. This is a sin against average American working people.

Furthermore, what kind of countries are we talking about? These are not struggling democracies we are trying to encourage investment in. These are dictatorships. These are bloody gangster regimes that cannot get private sector financing because it is too risky.

Now, of course, by getting the American taxpayers to pony up the money, to take all the risk, are we encouraging those gangster regimes to liberalize? Not only are we putting our people out of work, we are telling the gangsters to go ahead and suppress their unions, go ahead and suppress freedom of speech, go ahead and suppress competition, let our businessmen in, because we are going to subsidize them.

□ 1930

This is horrendous. We are taking away the incentive for dictatorships to liberalize and become free. We are taking jobs away from our people. The only thing wrong with the Royce amendment is that it does not go far

enough, it does not eliminate this abomination from the budget altogether, this attack on the well-being of the American people.

I am with the gentleman from California [Mr. ROYCE]. Let us cut it down if not eliminate it.

Ms. PELOSI. Mr. Chairman, I am pleased to yield 1 minute to the gentleman from Oregon [Mr. BLUMENAUER].

Mr. BLUMENAUER. Mr. Chairman, I thank the gentlewoman from California [Ms. PELOSI] for yielding me the time.

It is disingenuous at best to suggest that a vote for this amendment is going to save one dime of taxpayer money. There is a big difference between subsidy and public guarantee. There are some things that are desirable that no individual company is going to take on themselves.

Other countries have similar tools because they work. And in fact, there are a number of countries that invest far more proportionately than we do. Cutting this administrative program off could in fact have a perverse effect by putting more of this loan portfolio at risk.

This amendment betrays a fundamental lack of understanding about how the program works. In terms of the notion of crippling our ability to oversee and manage this larger portfolio, it could have the perverse effect of losing taxpayer money and have these guarantees kick in. And last, but not least, it would make it impossible to enable this agency to move into some of the riskier markets where we need the power of the free market to help transform this society.

Mr. ROYCE. Mr. Chairman, I yield 1 minute to the gentleman from Illinois [Mr. JACKSON].

(Mr. JACKSON of Illinois asked and was given permission to revise and extend his remarks.)

Mr. JACKSON of Illinois. Mr. Chairman, let me once again rise to challenge a couple of arguments that I heard in support of this amendment and certainly congratulate the gentleman from California [Mr. ROHRBACHER] for an outstanding speech that he just gave. No truer words could have ever been spoken in support of this particular amendment.

I want to go back to Africa for a moment, because several of my colleagues since I spoke initially indicated that these corporations subsequently invest in Africa. In the final analysis, Mr. Chairman, if we really trust African leaders, again, we should do for Africa what we do for Israel and what we do for Egypt, give them direct loan guarantees.

Nothing could be more paternalistic than to say that the only way we are going to invest in Africa is through a U.S. corporation in an undemocratic, un-American regime, and put the U.S. taxpayer dollars at high risk if in fact that government is toppled and we find ourselves on the wrong side of the human rights equation.

Once again, Mr. Chairman, I rise in support of the Royce-Andrews-Kasich amendment. I would encourage my colleagues, particularly those colleagues who voted in support of reducing this program in the last Congress, an opportunity to vote again on behalf of the side of the working people in our own country.

Ms. PELOSI. Mr. Chairman, I am pleased to yield 2 minutes to the gentlewoman from North Carolina [Mrs. CLAYTON].

Mrs. CLAYTON. Mr. Chairman, I rise against this amendment. OPIC has, since its creation, really protected the U.S. investment it has made overseas. Argument can be made, and persuasive arguments have been made, as to why perhaps this should not be considered. But that persuasive argument, I suggest to my colleagues, can be appropriately argued somewhere else other than OPIC.

Consider these facts: Not one dollar has been used, been lost, as a result of the taxpayers' money making administrative costs. In fact, OPIC is mandated by Congress to be self-sustaining. It is self-sustaining, paying for its administrative costs. This amendment would deny OPIC the ability to fulfill its 1994 mandate that says raise its portfolio from \$11.5 billion to \$23 billion. The Royce amendment would undercut that ability to fulfill that.

It is not unreasonable to assume that the Government would provide risk insurance to allow for countries that do not have the economic stability to have jobs in development. That also creates investment back here in America, if not jobs, certainly investment that goes back into applying for economic development for American jobs and American citizens here.

Mr. Chairman, OPIC supports more than 10,000 new American jobs here as a result of that investment. Yes, I was one of those congresspersons that my colleague, the gentleman from Illinois [Mr. JACKSON] referred to, because I know of a company, indeed, that has participated in OPIC, will not only take their monies but borrow from OPIC and add more monies to make sure their investment is a sound investment in South Africa.

It is working, it is working in countries, not only in South Africa, but other countries that want to remove themselves from a dictatorship and embrace democracy and have opportunity for economic development. This is the right way for America to go. We should be leaders on this. Vote no on the Royce amendment.

The CHAIRMAN. The Chair would inform Members that the gentlewoman from California [Ms. PELOSI] has 1 minute remaining, the gentleman from California [Mr. ROYCE] has 2 minutes remaining, and the gentleman from Alabama [Mr. CALLAHAN] has 5¼ minutes remaining.

The gentleman from Alabama has the right to close, preceded by the gentleman from California [Mr. ROYCE].

Mr. ROYCE. Mr. Chairman, I yield 1 minute to the gentleman from New Jersey [Mr. ANDREWS].

(Mr. ANDREWS asked and was given permission to revise and extend his remarks.)

Mr. ANDREWS. Mr. Chairman, I want to thank the gentleman from California [Mr. ROYCE], my friend and colleague, and also the gentleman from Ohio [Mr. KASICH], the chairman, for their work on this amendment.

This week, our constituents are going to have taxes taken out of their paycheck. And each week we go home for the weekend they ask us, "Congressman, what did you spend my money on this week?"

If my colleagues are prepared to tell their constituents that this week they spent their money to help the McDonald's Corp. in Brazil, then oppose our amendment. If my colleagues are prepared to tell their constituents that this week they spent their money to help the General Electric Corp. in Hungary, then oppose our amendment. But if my colleagues believe, as we do, that the time has come to have equity in the way we disperse welfare and to stop corporate welfare, then support our amendment, as so many did in voting to limit OPIC last year.

Ms. PELOSI. Mr. Chairman, I yield myself the remaining 1 minute.

Mr. Speaker, I commend and applaud our colleague from California [Mr. ROYCE], whom we all hold in such high regard, for his work in fighting corporate welfare. I applaud him and the gentleman from Ohio [Mr. KASICH] in their fight against corporate welfare. Indeed, I join them in their fight against corporate welfare. But, Mr. Chairman, OPIC is not corporate welfare. OPIC does not cost the taxpayer a single dollar.

Some of the points our colleagues have made in the course of fighting this amendment this evening bear repeating. OPIC is required by law to operate on a self-sustaining basis. Since 1971, OPIC has reimbursed the Government for every dollar of actual outlays it has received. OPIC produces a positive cash-flow for the Government because the fees it charges clients, companies exceed its total cost.

OPIC creates American jobs by promoting exports. OPIC has a unique foreign policy role, and OPIC levels the playing field in the global competition. All of America's major economic competitors have OPIC-like agencies to bridge commercial gaps in emerging markets. Let us not tie the hands of our companies in the international market. I urge my colleagues to vote against the Royce amendment.

The CHAIRMAN. The gentleman from California [Mr. ROYCE] has 1 minute remaining.

Mr. ROYCE. Mr. Chairman, I yield myself the balance of my time.

Mr. Chairman, claims have been made that OPIC is a large benefactor of small business; 97.6 percent of the beneficiaries are corporations with reve-

nues that exceed \$1 million. In fact, only one beneficiary had annual revenues less than \$2 million.

Private political risk insurance is regularly advertised in publications like *The Economist*. Recently Exporters Insurance Co. offered to reinsure much of OPIC's insurance portfolio at all existing terms and conditions.

Last, we have got \$23 billion at risk, taxpayers' dollars at risk. CRS says that there are savings if we cut this back. There is a cost, according to the CBO, \$73 million. There is simply no justification for appropriating \$32 million to OPIC today. This is a 50-percent increase in appropriations from 1994, and no more business being authorized.

This amendment is about stopping the train. It is about saying that the House wants to stay in the future of OPIC, this should not be a deal cut in conference committee. This may be the only way this body has on the future of OPIC. Vote to hold the train. We are talking about a modest reduction.

Mr. CALLAHAN. Mr. Chairman, I yield myself the balance of my time.

Mr. PACKARD. Mr. Chairman, will the gentleman yield?

Mr. CALLAHAN. I yield to the gentleman from California.

Mr. PACKARD. Mr. Chairman, I appreciate the chairman yielding, and I reluctantly speak out against my dear friend, the gentleman from California [Mr. CALLAHAN], from my own county, Orange County, where he represents. I wanted to speak to that in just a moment.

But the simple truth is, and I certainly agree with the gentlewoman from California that spoke earlier, OPIC is a self-supporting and self-financed program. It is not a corporate welfare program. It has recorded a positive net income for every year it has operated, and it operates at no net cost to the American taxpayers. In fact, OPIC actually contributes to the Treasury. It provides for these services by charging a user fee that completely covers the operation of OPIC.

In my own home State of California, OPIC has provided support for over 40 projects, generating \$3 billion in American exports and over 9,000 jobs. In Orange County, CA, the county where the author of this amendment resides and represents, one company alone has provided \$1 billion of American-made services and goods exported and over 3,000 American jobs just because OPIC has helped them.

I implore the Members to stand above the political rhetoric and see that this amendment is voted for what it is, that is that it is not corporate welfare. I urge a no vote on the amendment.

Mr. CALLAHAN. Mr. Chairman, reclaiming my time, I insert for the RECORD at this point a letter from the Vice President to the Speaker of the House.

The letter referred to follows:

THE VICE PRESIDENT,
Washington, DC, July 30, 1997.

Hon. NEWT GINGRICH,
Speaker, U.S. House of Representative,
Washington, DC.

DEAR MR. SPEAKER: I write to express my strong opposition to the Royce-Andrews-Kasich amendment that is scheduled for House floor action Thursday, July 31.

The Administration believes it is very important to reauthorize Overseas Private Investment Corporation this year. The Royce Amendment would make it impossible to perform its valuable role in supporting American foreign policy and its equally important mission of promoting the competitiveness of American firms in international markets.

Since it was established in 1971, OPIC has supported over \$53 billion in U.S. exports. As Vice President, I have personally witnessed what OPIC can accomplish in countries like Russia to open opportunities for American companies and create jobs for American workers.

I had meetings this week with Deputy President Mbeki of South Africa which included OPIC participants. OPIC has provided critical support for many foreign policy and developmental initiatives around the world from South Africa to Russia and the Newly Independent States. Most recently, OPIC has been tapped to play an important part in a new Africa initiative sponsored by both the Administration and Members of Congress.

The Royce Amendment would undermine OPIC's capacity not only to support foreign policy and create American jobs, but also hinder prudent financial management of the existing portfolio and harm OPIC's capacity to level the international playing field while promoting American standards on human rights and workers rights.

I urge you to oppose this amendment.

Sincerely,

AL GORE.

Mr. Speaker, the Royce amendment is an extremely harmful amendment, which is just a back-door attempt to try to kill OPIC in the name of corporate welfare. While I know the gentleman from California believes very strongly in his crusade against corporate welfare, in the case of OPIC he is tilting against the wrong windmill.

OPIC is not corporate welfare. If anything, OPIC is workfare. The truth is that OPIC enables American workers to work hard to take home a living wage and to make first-rate products which can be sold to the developing world. OPIC creates a market for American products. Sure, that helps American companies. But most importantly, it helps over 30,000 American workers each year who benefit from the OPIC-supported projects.

I have listened to the testimony this afternoon of my colleagues, and they are eloquent, and I know their passion and I know where they are coming from. I listened to the gentleman from Ohio [Mr. KASICH] talking about the fact that this is corporate welfare. Let us save this few tens of millions of dollars. Yet, he, just a few hours ago, agreed with the President to give \$4 billion more than what this bill gives.

So I think that the gentleman from Ohio [Mr. KASICH] is saving \$10 million while agreeing, on the other hand, to give the President \$4 billion more. And I do not fault him. I voted for his budget resolution. And he certainly is doing

everything he can to ensure that some day we reap a balanced budget, and that is my goal as well. But this is not the way to do it.

This is not an authorization bill to allow OPIC to increase the debt. What they are saying is shut down the collection window, that we have billions of dollars out here in loans and, therefore, we are going to cut their ability to even collect the moneys. And that is absolutely wrong. And it is not, I am sure, the intent of the gentleman from California [Mr. ROYCE], but that would be the result of this legislation.

A few years ago, the gentleman from Ohio [Mr. KASICH] came to me and said, "Sonny, there is something wrong with OPIC." So I had a study made about privatization of OPIC. I pleaded with the gentleman from Ohio [Mr. KASICH] to meet with me to discuss the results of that study. And 2 years later, he still has not had time to look at the survey that we made at his request.

On the other hand, he has been very busy, he is cutting taxes, he is cutting spending, he is doing all of these good things, and I want him to continue to do those good things. But I wish some of my colleagues would take the time to read the report that we commissioned that justifies every dime that is spent at OPIC.

And speaking of spending moneys, OPIC returns money. What other agency of Government do we have that returns money to us every single year?

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They are bringing in each year, according to the Treasury reports, more than enough money to offset this allocation that we are giving to them. They bring in \$251 million in profit and they are asking for \$92 million of its own collections to continue their operations. So while I certainly respect what the gentlemen are doing, recognize that this is not helping General Electric; this is helping the employees of General Electric. There is a big, big difference. The French do it. The Japanese do it. The Germans do it. So why should we do it is what the gentleman is saying. Let me encourage Members to vote against this misguided amendment and let us continue the operation of OPIC.

Mr. ORTIZ. Mr. Chairman, I rise today in support of the Overseas Private Investment Corporation and to express my opposition to the amendments offered by Mr. ROYCE and Mr. PAUL to H.R. 2159, the FY 1998 Foreign Operations Appropriations Act. These amendments would do nothing but hurt American businesses and American workers.

Mr. Chairman, at a time when American businesses are facing increased competition in the global marketplace, it is inconceivable to me that we, the very government charged with helping our businesses, would obstruct the most important means to this end. To those who support the elimination of OPIC, I implore them to give up the isolationist belief that if we ignore foreign trade deficits, they will simply go away. Nothing could be farther from the truth! We must engage our competitors in the

global marketplace or we will become a second place economic power.

Mr. Chairman, there is a reason we have trade deficits with some foreign nations—they actively support their businesses to a much greater extent than we do. If we cut OPIC, we tie the hands of American businesses just as they are poised to step into the ring. My colleagues have to understand this essential fact: the global marketplace is not going to go away. If we stick our heads in the sand and let foreign businesses get the upper hand in the global marketplace, then we are turning our backs on our own people and our own future. Let us make no mistake, Mr. Chairman, we need OPIC.

Mrs. KENNELLY of Connecticut. Mr. Chairman, I rise in strong opposition to the Royce amendment to cut the Overseas Private Investment Corporation. OPIC has been crucial in promoting U.S. investment abroad and continued support for the Overseas private Investment Corporation is not only smart foreign policy it is sound fiscal policy.

OPIC plays a critical role in our Nation's export strategy, and supports important foreign policy initiatives across the globe. A cut in OPIC's administrative fees will hamper crucial new investment work in Africa and the Caribbean. This new investment will create U.S. jobs, and improve stability in developing nations.

Mr. Chairman, OPIC operates on a self-sustaining basis paid for by its program users. In fact, throughout its 26 year history, OPIC has supported projects worth \$107 billion and has created 225,000 new U.S. jobs and \$52 billion in exports.

OPIC is a major vehicle for promoting U.S. foreign and economic policy without cost to the taxpayer and I urge my colleagues to reject the Royce-Kasich amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from California [Mr. ROYCE].

The question was taken; and the Chairman announced that the noes appeared to have it.

Mr. ROYCE. Mr. Chairman, I demand a recorded vote.

The CHAIRMAN. Pursuant to the order of the House of Thursday, July 24, 1997, further proceedings on the amendment offered by the gentleman from California [Mr. ROYCE] will be postponed.

The Clerk will read.

The Clerk read as follows:

FUNDS APPROPRIATED TO THE PRESIDENT
TRADE AND DEVELOPMENT AGENCY

For necessary expenses to carry out the provisions of section 661 of the Foreign Assistance Act of 1961, \$40,000,000: *Provided*, That the Trade and Development Agency may receive reimbursements from corporations and other entities for the costs of grants for feasibility studies and other project planning services, to be deposited as an offsetting collection to this account and to be available for obligation until September 30, 1999, for necessary expenses under this paragraph: *Provided further*, That such reimbursements shall not cover, or be allocated against, direct or indirect administrative costs of the agency.

AMENDMENT NO. 36 OFFERED BY MR. PAUL

Mr. PAUL. Mr. Chairman, I offer an amendment.

The CHAIRMAN. Was the amendment printed in the RECORD?

Mr. PAUL. Yes, Mr. Chairman, it was.

The Clerk read as follows:

Amendment No. 36 offered by Mr. PAUL: At the end of title I (page 5, after line 14), insert the following new paragraph:

REDUCTION IN AMOUNTS

Each amount otherwise provided in this title is hereby reduced to \$0.

Mr. PAUL. Mr. Chairman, earlier in the debate on the previous amendment, the gentleman from California [Mr. ROHRBACHER] suggested that there was one problem with the Royce amendment. He said it just does not go far enough.

I have an amendment that will go far enough to deal with this entire problem of corporate welfare. My amendment strikes all the funding from title I. This means that the \$632 million that goes to the Export-Import Bank, the \$32 million that goes to OPIC and the \$40 million that goes to the Trade and Development Agency would be struck. This would not close these agencies down. We have heard on numerous occasions already today that OPIC and other agencies like OPIC are obviously self-supporting. If they are self-supporting, they need no more appropriations. They can use the current funding, they can be privatized. This whole idea that they come with the argument that they are self-supporting and self-sustaining and that they make a profit, there is no purpose in being here. Why do they come to the American people and ask in this particular bill for export subsidies of \$704 million? My amendment would strike the \$704 million. These three agencies have liabilities of well over \$100 billion and this would be eliminated.

One of the reasons the argument is made that these agencies are self-sustaining is that they hold Treasury bills, which means that they receive huge sums of money through the back door through interest payments. This money is not appropriated for the specific purpose, but as long as they hold Treasury bills they get the interest payments. For instance, I mentioned earlier that OPIC in 1996 received \$166 million in this manner. Self-sustaining, it is not.

We should really ask if this is good economic policy. Quite frankly, it is not good economic policy. It encourages businesspeople to do the wrong things at the taxpayers' risk.

It is mentioned that these programs are available in the private sector but they will not go into the risky areas. Obviously not. OPIC, for instance, goes into countries, and what the American people have to assume is the risk against political risk and economic risk. So if these companies go bust, the American taxpayers have to stand behind them. We have a misdirection of the economy and the misdirection of investment because we get companies to do things more risky than they would have otherwise. If they want to go into a more risky area, the private insurance would obviously be higher,

so therefore this is a subsidy to corporations.

There is no reason why we should support this type of welfare. There are several kinds of welfare. We have welfare for the poor, we have welfare for the foreigners and we have welfare for the corporations. I do not think the correct place to try to solve our problem on welfare is to go after the poor man's welfare, but we can go after foreign welfare and we can go after corporate welfare, and this is an example of corporate and foreign welfare.

It is said that with these programs there is never any loss to the taxpayers. That is a bit of a fallacy, because the loss to the taxpayers is when we take the money from the taxpayer, so they are losing all the time. Most little people never get benefits from this. It is the large corporations that lobby us so heavily to endorse these programs. There are not that many loans that default.

But there is another reason why we do not have that many loan defaults, because they quickly renew these loans at different terms. There is a lot of generous renewing of loans and therefore the default level is very, very low, if we see it at all. But the risk is there. The real risk to the American taxpayer is when we tax the Americans to go and encourage programs like this. The assumption is made that if we do not do it, it will not happen. Maybe not, maybe it will. If it does not happen, maybe it is too risky. But most of it still would happen; it would be insured in the private sector and many of these programs would occur.

To get up and say A, B, and C company would not have existed and could not have done this is not correct because we do not know. The other thing we do not know is who suffered from this credit allocation. When the Government gets involved in credit allocation, in saying this credit is guaranteed and should go in this direction, every time there is \$10 billion going in that direction, it comes out of the private sector and some little guy lost his credit. So obviously the banks are going to loan to the people that have a guarantee.

Another area that we should address here is the subject of who gets these loans. For instance, one of the biggest beneficiaries is China. Red China gets over \$4 billion. That in itself is enough reason to vote for this amendment and reject corporate welfare on principle.

Mr. CALLAHAN. Mr. Chairman, I rise in opposition to the amendment.

Once again, Mr. Chairman, this amendment is intended to destroy the Eximbank which might sound good and might look good on the back of a bumper sticker, but it would be a tremendous mistake for literally tens of thousands of working American people who are working today as a result of the fact that we are doing business in some overseas countries. If indeed my colleagues believe that we are not in a global economy, then my colleagues

ought to do exactly what the gentleman from Texas said: build a wall around the United States of America. Let us not let anybody in and let us not let anybody out, let us not ship any of our equipment overseas.

Let us talk about General Electric. What kind of generators do Members think they use if GE builds a plant in a foreign country? They use a GE generator built by American workers, built by American workers who take that money home and support their families and support my colleagues through their taxes that they pay.

So if my colleagues want to close down America, if they do not want to do business overseas, if they really in their heart believe that a global economy is not the future of this country, then my colleagues ought to abolish the Eximbank and they ought to abolish OPIC as well.

But unfortunately, if the gentleman will read the newspapers, watch television, look at world affairs, attend some of the committee hearings that we have, when we hear the testimony of the Eximbank and these various agencies, he will learn that we are exporting our jobs overseas by letting them work in Texas, by letting them work in Alabama, in California. They are taking that money to their homes and we are shipping our generators and our products to them overseas simply because we have provided for our businesspeople the same thing that the French, the British, the Germans, the Japanese have provided to theirs. Not as much, I grant the gentleman. They still give them much more. They subsidize theirs. We do not subsidize these.

So, yes, if the gentleman wants to shut the world down as far as the United States is concerned and abolish all these; but it would be very, very unwise to do that. I would encourage my colleagues to recognize that and to vote against the gentleman's amendment.

Mr. PAUL. Mr. Chairman, will the gentleman yield?

Mr. CALLAHAN. I yield to the gentleman from Texas.

Mr. PAUL. Japan subsidizes 32 percent of their exports and we only subsidize a small amount, only 2 percent. So I guess I would be complaining a lot more if I lived in Japan because they do so much more; but if we look at the economic growth of Japan, now it is less than 1 percent and we are doing better. We have economic growth of 4 percent.

Mr. CALLAHAN. If I may reclaim my time, that is because they are doing too much. We are not doing too much. We are trying to facilitate our businesspeople in this country the opportunity to make them competitive doing business in foreign countries. If that is wrong, then I am wrong. But I am not wrong. The gentleman is wrong in trying to abolish this agency.

Ms. PELOSI. Mr. Chairman, I move to strike the last word, and I rise in opposition to the amendment of our distinguished colleague from Texas.

Mr. Chairman, this is a most unfortunate amendment, because it strikes right to the heart of eliminating title I of our bill, which is an important part of our foreign operations legislation. Eximbank, Overseas Private Investment Corporation, Trade and Development Agency programs help create more and better-paying U.S. jobs through exports. Each of these agencies has a distinct role in the administration's effort to increase U.S. exports. Increasing U.S. exports is a major pillar of our foreign policy and these agencies help do that. Every one of our major industrial competitors have publicly supported counterparts to Exim, OPIC and TDA. Virtually all of our competitors fund their trade and investment finance agencies at a higher level than we do. Failure to fully fund Exim, OPIC and TDA would severely handicap our exporters as they battle for market share in the key fast-growing markets. Exports create more and higher-paying jobs, support the creation of American jobs by promoting exports. Vote against this amendment.

Mr. PAUL. Mr. Chairman, will the gentleman yield?

Ms. PELOSI. I yield to the gentleman from Texas.

Mr. PAUL. Could the gentleman cite the constitutional authority for programs like this? Where did we get this authority? When did we get involved in doing this? I am confused on that constitutional issue.

Ms. PELOSI. I would not be able to cite the constitutional authority. I know the gentleman is well known for his opposition to any spending bills, but I think the question that he asks is an appropriate one to ask every Member who speaks on the floor, because these agencies of government create jobs and return revenue to our Treasury.

I would like to address one of the points the gentleman made in his remarks. He said if they are so self-sustaining, why are they not privatized, or words to that effect.

I think it is very important that this is part of our national export program, that we be able to participate in the program level and have a control on the operating expenses so that all of the funds that are put to this end are well spent and that they promote the most exports, create the most jobs and increase the vitality and dynamism of our own economy.

Mr. PAUL. If the gentleman will continue to yield, I think that is a noble gesture to mix business and government, but some people are hesitant to do that, to supervise what businesses are doing.

Ms. PELOSI. Reclaiming my time, the point was not to mix business and government. The point was to promote U.S. exports abroad and to recognize the realities of the global economy, where all of the countries, the developed countries of the world and the developing countries, are very competitive for the market share out there. It

is very important for us in those particular instances where, for example, OPIC would be necessary, assessing the risk very carefully so as not to put the U.S. taxpayers' dollars at an extraordinary risk, but where the calibration is such that we need OPIC's participation, or Eximbank's participation or TDA's promotion, that we give some opportunity to U.S. business to make the playing field more level. As I have said in my remarks, we do not come close to what many countries do to help promote exports, but at least we can participate in promoting exports.

Mr. PAUL. If the gentlewoman will yield further, I think earlier she said that it would be an appropriate question to ask for constitutional authority and suggested that this is a good idea, and I would like to emphasize that we do it more often.

Mr. FOGLIETTA. Mr. Chairman, will the gentlewoman yield?

Ms. PELOSI. I yield to the gentleman from Pennsylvania.

Mr. FOGLIETTA. I think if the gentleman reads the question, he will find that the Constitution calls upon the Congress to promote the general welfare of this Nation. I think by increasing trade and creating jobs, we are promoting the general welfare of our Nation.

Mr. PAUL. If the gentlewoman will yield further, this is frequently cited as a constitutional authority to do almost anything. But let me be specific to point out to the gentleman that we are not dealing with the general welfare. We are dealing with the very specific welfare of General Electric and other big companies at the expense of the general welfare of the taxpayers who are paying the money.

Ms. PELOSI. Reclaiming my time, I would like to say to the gentleman, I keep a very close eye on these agencies. To the extent that I believe that they are not promoting the general welfare and that special interest is served rather than the public interest, I would be certain to join with the gentleman in criticism of those aspects.

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But that is not what the point is here tonight.

I urge my colleagues to oppose the Paul amendment.

Mr. BEREUTER. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in strongest opposition to the gentleman's amendment, offered for ideological reasons no doubt. It is devastating. It would do draconian levels of damage to the American economy, American exporters, American business and American workers. It needs to be rejected.

Mr. Chairman, I yield to the gentleman from Illinois [Mr. MANZULLO].

Mr. MANZULLO. Mr. Chairman, I would cite with authority Article I, section 8, clause 3 of the United States Constitution that it is within the powers of this body to regulate commerce

with foreign nations, and if I could make my point, then I would be glad to yield for a question from my constitutional friend.

In what we are doing here with these 3 bodies, Ex-Im, OPIC and TDA, are we regulating commerce? You bet we are. We are involved in an international global war. If the amendment offered by the gentleman from Texas [Mr. PAUL] were presented somehow in an international body, and I would dread that because we would have a one-world government, then I would say let us go ahead and do what he is doing because there are 73 export credit agencies, there are 36 international equivalents of OPICs. So what that means is that if we get rid of these specialty types of credit agencies, where are we? What we have done is we have effectively thrown up our hands and we have left it to the Finns and Germans to take over.

Let me give my colleagues an example that is in my backyard, Beloit Corporation. There is one of 3 manufacturers of paper making machines, 3 worldwide manufacturers of paper making machines, engaged in trying to get a contract in Indonesia. The only other 2 manufacturers are in Europe. One are the Finns and the other one are the Germans, and the Finns and the Germans go through extraordinary lengths in order to, if my colleagues want to use that word, subsidize, grant favorable financing so that these sales can take place.

So what happened was Beloit Corporation applied to Ex-Im in working with Members on both sides of the aisle, including the gentleman from Wisconsin [Mr. BARRETT] over here from Milwaukee. We were able to see Ex-Im grant a \$275 million loan guarantee which has to be paid back with interest at a good premium for the purpose of making sure that Beloit Corporation was put in a level playing field to sell those machines. Those were 2 machines that cost over \$150 million a piece, and there are several more in the lot. Let me finish my thought here.

Now what is going on here dynamically is this. Worldwide there is an effort, there is an effort to eliminate OPIC and Ex-Im types of financing. For example the OECD met and said that what we will do is we will have an agreement that a Nation can only subsidize the spread; that is, the actual amount of interest as charged worldwide on the open market with what a Nation wants to pay to a certain extent, and they continue to narrow that gap so that nations will be involved in less core subsidizing of the loans for the exports.

Mr. PAUL. Mr. Chairman, will the gentleman yield?

Mr. BEREUTER. I yield to the gentleman from Texas.

Mr. PAUL. Let me address the subject of regulation. The Constitution does give us the authority to regulate commerce, but it never mentions that

we should subsidize special interests at the expense of the average American taxpayers. Yes, we can put on tariffs and we can regulate what comes and goes across our borders, but in the wildest dreams of the Founders of this country they never intended that we would have programs like this. We have to think this is a concoction of the latter part of the 20th century, the past 20 or 30 years. This is when this stuff; when welfare-ism has blossomed, it has been these type of programs. It was never intended by our Constitution to do these programs.

Mr. BEREUTER. Reclaiming my time, Mr. Chairman, I would say that the authorization appropriations are funds that are very much in the American taxpayers' benefit. They come out positive as a result directly of these jobs.

Mr. MANZULLO. Mr. Chairman, will the gentleman yield?

Mr. BEREUTER. I yield to the gentleman from Illinois.

Mr. MANZULLO. Mr. Chairman, back in those days the main income for the United States was international tariffs. We have these incredible tariff barriers, and that is how we supported the economy of the Nation before the income tax.

I mean nobody wants those tariffs. I know the gentleman is a libertarian and does not like the tariffs, but that is what was going on 200 some years ago when the Nation was founded, and I think when this was put into the Constitution it says to regulate, meaning this body, the United States Congress, is given the power to make sure that we can operate internationally.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Texas [Mr. PAUL].

The question was taken; and the Chairman announced that the noes appeared to have it.

Mr. PAUL. Mr. Chairman, I demand a recorded vote.

The CHAIRMAN. Pursuant to the order of the House of Thursday, July 24, 1997, further proceedings on the amendment offered by the gentleman from Texas [Mr. PAUL] will be postponed.

POINT OF ORDER

Mr. BARR of Georgia. Mr. Chairman, I rise to a point of order.

The CHAIRMAN. The gentleman will state his point of order.

Mr. BARR of Georgia. Mr. Chairman, I make the point of order that the language beginning with "provided" on page 24, line 8 through "justice" on line 16 violates clause 2(b) of rule XXI of the rules of the House of Representatives.

The CHAIRMAN. The gentleman from Georgia will suspend. The Clerk has not yet read to that portion of the bill, and the gentleman's point of order is not in order at this point.

The Clerk will read.

The Clerk read as follows:

TITLE II—BILATERAL ECONOMIC ASSISTANCE

FUNDS APPROPRIATED TO THE PRESIDENT

For expenses necessary to enable the President to carry out the provisions of the Foreign Assistance Act of 1961, and for other purposes, to remain available until September 30, 1998, unless otherwise specified herein, as follows:

AGENCY FOR INTERNATIONAL DEVELOPMENT CHILD SURVIVAL AND DISEASE PROGRAMS FUND

For necessary expenses to carry out the provisions of part I and chapter 4 of part II of the Foreign Assistance Act of 1961, for child survival, basic education, assistance to combat tropical and other diseases, and related activities, in addition to funds otherwise available for such purposes, \$650,000,000, to remain available until expended: *Provided*, That this amount shall be made available for such activities as (1) immunization programs, (2) oral rehydration programs, (3) health and nutrition programs, and related education programs, which address the needs of mothers and children, (4) water and sanitation programs, (5) assistance for displaced and orphaned children, (6) programs for the prevention, treatment, and control of, and research on, tuberculosis, HIV/AIDS, polio, malaria and other diseases, (7) not to exceed \$98,000,000 for basic education programs for children, and (8) a contribution on a grant basis to the United Nations Children's Fund (UNICEF) pursuant to section 301 of the Foreign Assistance Act of 1961.

DEVELOPMENT ASSISTANCE

For necessary expenses to carry out the provisions of sections 103 through 106 and chapter 10 of part I of the Foreign Assistance Act of 1961, title V of the International Security and Development Cooperation Act of 1980 (Public Law 96-533) and the provisions of section 401 of the Foreign Assistance Act of 1969, \$1,167,000,000, to remain available until September 30, 1999: *Provided*, That of the amount appropriated under this heading, up to \$2,000,000 may be made available for the Inter-American Foundation: *Provided further*, That of the amount appropriated under this heading, up to \$2,500,000 may be made available for the African Development Foundation: *Provided further*, That none of the funds made available in this Act nor any unobligated balances from prior appropriations may be made available to any organization or program which, as determined by the President of the United States, supports or participates in the management of a program of coercive abortion or involuntary sterilization: *Provided further*, That none of the funds made available under this heading may be used to pay for the performance of abortion as a method of family planning or to motivate or coerce any person to practice abortions; and that in order to reduce reliance on abortion in developing nations, funds shall be available only to voluntary family planning projects which offer, either directly or through referral to, or information about access to, a broad range of family planning methods and services: *Provided further*, That in awarding grants for natural family planning under section 104 of the Foreign Assistance Act of 1961 no applicant shall be discriminated against because of such applicant's religious or conscientious commitment to offer only natural family planning; and, additionally, all such applicants shall comply with the requirements of the previous proviso: *Provided further*, That for purposes of this or any other Act authorizing or appropriating funds for foreign operations, export financing, and related programs, the term "motivate", as it relates to family planning assistance, shall not be construed to prohibit the provision, consistent with

local law, of information or counseling about all pregnancy options: *Provided further*, That nothing in this paragraph shall be construed to alter any existing statutory prohibitions against abortion under section 104 of the Foreign Assistance Act of 1961: *Provided further*, That none of the funds made available under this heading may be used for any activity which is in contravention to the Convention on International Trade in Endangered Species of Flora and Fauna (CITES).

AMENDMENT OFFERED BY MR. PITTS

Mr. PITTS. Mr. Chairman, I offer an amendment.

The CHAIRMAN. Has the amendment been printed in the RECORD?

Mr. PITTS. Yes.

The CHAIRMAN. Does the gentleman ask unanimous consent to have his amendment considered?

Mr. PITTS. Yes, Mr. Chairman.

The CHAIRMAN. Is there objection to the consideration of the en bloc amendments?

Mr. CALLAHAN. There is objection here.

The CHAIRMAN. Objection is heard.

The Clerk will read.

The Clerk read as follows:

PRIVATE AND VOLUNTARY ORGANIZATIONS

None of the funds appropriated or otherwise made available by this Act for development assistance may be made available to any United States private and voluntary organization, except any cooperative development organization, which obtains less than 20 per centum of its total annual funding for international activities from sources other than the United States Government: *Provided*, That the requirements of the provisions of section 123(g) of the Foreign Assistance Act of 1961 and the provisions on private and voluntary organizations in title II of the "Foreign Assistance and Related Programs Appropriations Act, 1985" (as enacted in Public Law 98-473) shall be superseded by the provisions of this section, except that the authority contained in the last sentence of section 123(g) may be exercised by the Administrator with regard to the requirements of this paragraph.

Funds appropriated or otherwise made available under title II of this Act should be made available to private and voluntary organizations at a level which is equivalent to the level provided in fiscal year 1995. Such private and voluntary organizations shall include those which operate on a not-for-profit basis, receive contributions from private sources, receive voluntary support from the public and are deemed to be among the most cost-effective and successful providers of development assistance.

INTERNATIONAL DISASTER ASSISTANCE

For necessary expenses for international disaster relief, rehabilitation, and reconstruction assistance pursuant to section 491 of the Foreign Assistance Act of 1961, as amended, \$190,000,000, to remain available until expended.

DEBT RESTRUCTURING

For the cost, as defined in section 502 of the Congressional Budget Act of 1974, of modifying direct loans and loan guarantees, as the President may determine, for which funds have been appropriated or otherwise made available for programs within the International Affairs Budget Function 150, including the cost of selling, reducing, or canceling amounts, through debt buybacks and swaps, owed to the United States as a result of concessional loans made to eligible Latin American and Caribbean countries, pursuant to part IV of the Foreign Assist-

ance Act of 1961; and of modifying concessional loans authorized under title I of the Agricultural Trade Development and Assistance Act of 1954, as amended, as authorized under subsection (a) under the heading "Debt Reduction for Jordan" in title VI of Public Law 103-306; \$27,000,000, to remain available until expended.

MICRO AND SMALL ENTERPRISE DEVELOPMENT PROGRAM ACCOUNT

For the cost of direct loans and loan guarantees, \$1,500,000, as authorized by section 108 of the Foreign Assistance Act of 1961, as amended: *Provided*, That such costs shall be as defined in section 502 of the Congressional Budget Act of 1974: *Provided further*, That guarantees of loans made under this heading in support of microenterprise activities may guarantee up to 70 percent of the principal amount of any such loans notwithstanding section 108 of the Foreign Assistance Act of 1961. In addition, for administrative expenses to carry out programs under this heading, \$500,000, all of which may be transferred to and merged with the appropriation for Operating Expenses of the Agency for International Development: *Provided further*, That funds made available under this heading shall remain available until September 30, 1999.

URBAN AND ENVIRONMENTAL CREDIT PROGRAM ACCOUNT

For the cost, as defined in section 502 of the Congressional Budget Act of 1974, of guaranteed loans authorized by sections 221 and 222 of the Foreign Assistance Act of 1961, including the cost of guaranteed loans designed to promote the urban and environmental policies and objectives of part I of such Act, \$3,000,000, to remain available until September 30, 1999: *Provided*, That these funds are available to subsidize loan principal, 100 percent of which shall be guaranteed, pursuant to the authority of such sections. In addition, for administrative expenses to carry out guaranteed loan programs, \$6,000,000, all of which may be transferred to and merged with the appropriation for Operating Expenses of the Agency for International Development: *Provided further*, That commitments to guarantee loans under this heading may be entered into notwithstanding the second and third sentences of section 222(a) and, with regard to programs for Central and Eastern Europe and programs for the benefit of South Africans disadvantaged by apartheid, section 223(j) of the Foreign Assistance Act of 1961.

PAYMENT TO THE FOREIGN SERVICE RETIREMENT AND DISABILITY FUND

For payment to the "Foreign Service Retirement and Disability Fund", as authorized by the Foreign Service Act of 1980, \$44,208,000.

OPERATING EXPENSES OF THE AGENCY FOR INTERNATIONAL DEVELOPMENT

For necessary expenses to carry out the provisions of section 667, \$468,750,000: *Provided*, That none of the funds appropriated by this Act for programs administered by the Agency for International Development may be used to finance printing costs of any report or study (except feasibility, design, or evaluation reports or studies) in excess of \$25,000 without the approval of the Administrator of the Agency or the Administrator's designee.

OPERATING EXPENSES OF THE AGENCY FOR INTERNATIONAL DEVELOPMENT OFFICE OF INSPECTOR GENERAL

For necessary expenses to carry out the provisions of section 667, \$29,047,000, to remain available until September 30, 1999, which sums shall be available for the Office of the Inspector General of the Agency for International Development.

OTHER BILATERAL ECONOMIC ASSISTANCE
ECONOMIC SUPPORT FUND

For necessary expenses to carry out the provisions of chapter 4 of part II, \$2,400,000,000, to remain available until September 30, 1999 *Provided*, That any funds appropriated under this heading that are made available for Israel shall be available on a grant basis as a cash transfer and shall be disbursed within thirty days of enactment of this Act or by October 31, 1997, whichever is later: *Provided*, That in exercising the authority to provide cash transfer assistance for Israel and Egypt, the President shall ensure that the level of such assistance does not cause an adverse impact on the total level of nonmilitary exports from the United States to each such country.

INTERNATIONAL FUND FOR IRELAND

For necessary expenses to carry out the provisions of chapter 4 of part II of the Foreign Assistance Act of 1961, \$19,600,000, which shall be available for the United States contribution to the International Fund for Ireland and shall be made available in accordance with the provisions of the Anglo-Irish Agreement Support Act of 1986 (Public Law 99-415): *Provided*, That such amount shall be expended at the minimum rate necessary to make timely payment for projects and activities: *Provided further*, That funds made available under this heading shall remain available until September 30, 1999.

ASSISTANCE FOR EASTERN EUROPE AND THE
BALTIC STATES

(a) For necessary expenses to carry out the provisions of the Foreign Assistance Act of 1961 and the Support for East European Democracy (SEED) Act of 1989, \$470,000,000, to remain available until September 30, 1999, which shall be available, notwithstanding any other provision of law, for economic assistance and for related programs for Eastern Europe and the Baltic States.

(b) Funds appropriated under this heading or in prior appropriations Acts that are or have been made available for an Enterprise Fund may be deposited by such Fund in interest-bearing accounts prior to the Fund's disbursement of such funds for program purposes. The Fund may retain for such program purposes any interest earned on such deposits without returning such interest to the Treasury of the United States and without further appropriation by the Congress. Funds made available for Enterprise Funds shall be expended at the minimum rate necessary to make timely payment for projects and activities.

(c) Funds appropriated under this heading shall be considered to be economic assistance under the Foreign Assistance Act of 1961 for purposes of making available the administrative authorities contained in that Act for the use of economic assistance.

(d) None of the funds appropriated under this heading may be made available for new housing construction or repair or reconstruction of existing housing in Bosnia and Herzegovina unless directly related to the efforts of United States troops to promote peace in said country.

AMENDMENT OFFERED BY MR. CAMPBELL

Mr. CAMPBELL. Mr. Chairman, I have an amendment, No. 27, which I believe is germane to the second title of the bill at page 13.

The CHAIRMAN. Does the gentleman ask unanimous consent to offer the amendment at this time?

Mr. CAMPBELL. That is my request, yes, Mr. Chairman.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

Mr. CALLAHAN. Yes, Mr. Chairman, I object.

The CHAIRMAN. Objection is heard.

PARLIAMENTARY INQUIRY

Mr. CAMPBELL. Parliamentary inquiry, Mr. Chairman.

The CHAIRMAN. The gentleman will state his parliamentary inquiry.

Mr. CAMPBELL. Mr. Chairman, I simply wish to know about the amendment, page 13, line 4, whereby I am inserting \$25 million in the Amendment No. 27; my parliamentary inquiry is whether that is in order at this time without a unanimous consent request.

The CHAIRMAN. The Chair would inform the gentleman that the Clerk had passed that point in reading the bill and it requires unanimous consent to go back to that paragraph.

Mr. CAMPBELL. Mr. Chairman, I move to strike the last word.

Mr. Chairman, at the conclusion of striking the last word I am going to ask an indulgence of the chairman of the subcommittee, and so I rise to speak to this request.

I was here, I was talking at the desk. It is appropriate at page 13, line 4. The members of the Congressional Black Caucus I have summoned to be on the floor at this moment. There is every record that I intended and had, except for the discussion at this desk, would have been able to present it at this moment.

I ask; it is a favor, I understand, but I have a very specific reason for asking for that favor, it is an unusual circumstance. I was here, there was discussion, and I could not get to the microphone because we were worried that the amendment of the gentleman from Pennsylvania [Mr. PITTS] might have had precedence to mine.

It is for that reason, which is really not a common situation, that I would ask a very great favor, but a favor of the chairman of the subcommittee that if I renew my unanimous consent request that I might now offer the amendment, No. 27, that it might be offered without an objection.

Mr. Chairman, with that I renew my unanimous consent request that Amendment No. 27 might be allowed at this time.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

Mr. CALLAHAN. Yes, Mr. Chairman. I recognize the gentleman's plight.

Nevertheless, we cannot continue to go back because if we go back for him, we have to do the same thing for every Member of this body. So I reluctantly still object.

The CHAIRMAN. Objection is heard.

The Clerk will read.

The Clerk read as follows:

(e) With regard to funds appropriated or otherwise made available under this heading for the economic revitalization program in Bosnia and Herzegovina, and local currencies generated by such funds (including the conversion of funds appropriated under this heading into currency used by Bosnia and Herzegovina as local currency and local cur-

rency returned or repaid under such program)—

(1) The Administrator of the Agency for International Development shall provide written approval for grants and loans prior to the obligation and expenditure of funds for such purposes, and prior to the use of funds that have been returned or repaid to any lending facility or grantee; and

(2) the provisions of section 531 of this Act shall apply.

(f) With regard to funds appropriated under this heading that are made available for economic revitalization programs in Bosnia and Herzegovina, 50 percent of such funds shall not be available for obligation unless the President determines and certifies to the Committee on Appropriations that the Federation of Bosnia and Herzegovina has complied with article III of annex 1-A of the General Framework Agreement for Peace in Bosnia and Herzegovina concerning the withdrawal of foreign forces, and that intelligence cooperation on training, investigations, and related activities between Iranian officials and Bosnian officials has been terminated.

(g) Not to exceed \$200,000,000 of the funds appropriated under this heading may be made available for Bosnia and Herzegovina.

(h) Not to exceed \$7,000,000 of the funds made available for Bosnia and Herzegovina may be made available for the cost, as defined in section 502 of the Congressional Budget Act of 1974, of modifying direct loans and loan guarantees for said country.

Mr. FOLEY. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I would like to enter into a colloquy with the distinguished gentleman from Alabama [Mr. CALLAHAN].

Mr. Chairman, I recently traveled to Haiti in order to get a firsthand look at the political and economic conditions there. It is my concern that if the current political and economic impasse in that country continues, there could be a social explosion that leads to a mass immigration of Haitian refugees to Florida. As certain factions inside Haiti are blocking reforms to further their own political agenda, vital measures are being stalled that could lead to more private investment in Haiti and ultimately to stabilization of this country. Economic reform in Haiti, particularly in the privatization of state-owned enterprises, is a necessary step in the improvement of Haiti's economy.

During my trip I took particular note of the inaccurate and antiquated power and telecommunication systems in Haiti. Without a modern infrastructure it is ludicrous to expect that Haiti will attract significant private investment. Therefore, the Haitian government must privatize these industries.

It is my understanding, Mr. Chairman, that the Subcommittee on Foreign Operations this year has inserted language which emphasizes that aid for Haiti is being provided with the clear understanding that it will only be provided if the Haitian government is actually implementing a meaningful restructuring of the Haitian public sector.

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Am I correct in that assumption?

Mr. CALLAHAN. Mr. Chairman, will the gentleman yield?

Mr. FOLEY. I yield to the gentleman from Alabama.

Mr. CALLAHAN. Mr. Chairman, the gentleman from Florida is absolutely correct. The privatization of parastatal companies and strict accountability for the effective use of donor resources are core reforms which were promised but not accomplished in prior years.

The committee recommends that assistance to the government of Haiti provided in this act be made contingent upon the privatization of at least three parastatal enterprises. I might add that the subcommittee, traveled to Haiti and that we shared the gentleman's concern, and we also expressed a strong concern to President Preval.

Mr. FOLEY. Mr. Chairman, let me thank the chairman for the clarification, and commend him on his efforts to ensure that the United States aid to Haiti is being properly utilized.

As I witnessed the strength of the people of Haiti and their desire to have economic opportunity, it became clear to me that the government needs to lead by example. I suggested to President Preval that he take a stronger stand in forcing the privatization of the utilities and other areas.

Even if the United States could provide the Haitian government with all the money in the world, it would come to no avail without reform of the Haitian economy. So I would suggest this Congress and this committee has a strong responsibility to work closely with the current government in Haiti and try and see that these economic reforms become reality, so those people in Haiti can have jobs, opportunity, growth and prosperity.

The CHAIRMAN. The Clerk will read. The Clerk read as follows:

ASSISTANCE FOR THE NEW INDEPENDENT STATES OF THE FORMER SOVIET UNION

(a) For necessary expenses to carry out the provisions of chapter II of part I of the Foreign Assistance Act of 1961 and the FREEDOM Support Act, for assistance for the new independent states of the former Soviet Union and for related programs, \$625,000,000, to remain available until September 30, 1999: *Provided*, That the provisions of such chapter shall apply to funds appropriated by this paragraph.

(b) None of the funds appropriated under this heading shall be transferred to the Government of Russia—

(1) unless that Government is making progress in implementing comprehensive economic reforms based on market principles, private ownership, negotiating repayment of commercial debt, respect for commercial contracts, and equitable treatment of foreign private investment; and

(2) if that Government applies or transfers United States assistance to any entity for the purpose of expropriating or seizing ownership or control of assets, investments, or ventures.

(c) Funds may be furnished without regard to subsection (b) if the President determines that to do so is in the national interest.

(d) None of the funds appropriated under this heading shall be made available to any government of the new independent states of the former Soviet Union if that government

directs any action in violation of the territorial integrity or national sovereignty of any other new independent state, such as those violations included in the Helsinki Final Act: *Provided*, That such funds may be made available without regard to the restriction in this subsection if the President determines that to do so is in the national security interest of the United States: *Provided further*, That the restriction of this subsection shall not apply to the use of such funds for the provision of assistance for purposes of humanitarian, disaster and refugee relief.

(e) None of the funds appropriated under this heading for the new independent states of the former Soviet Union shall be made available for any state to enhance its military capability: *Provided*, That this restriction does not apply to demilitarization or nonproliferation programs.

(f) Funds appropriated under this heading shall be subject to the regular notification procedures of the Committees on Appropriations.

(g) Funds made available in this Act for assistance to the new independent states of the former Soviet Union shall be subject to the provisions of section 117 (relating to environment and natural resources) of the Foreign Assistance Act of 1961.

(h) In issuing new task orders, entering into contracts, or making grants, with funds appropriated under this heading or in prior appropriations Acts, for projects or activities that have as one of their primary purposes the fostering of private sector development, the Coordinator for United States Assistance to the New Independent States and the implementing agency shall encourage the participation of and give significant weight to contractors and grantees who propose investing a significant amount of their own resources (including volunteer services and in-kind contributions) in such projects and activities.

(i) Funds appropriated under this heading or in prior appropriations Acts that are or have been made available for an Enterprise Fund may be deposited by such Fund in interest-bearing accounts prior to the disbursement of such funds by the Fund for program purposes. The Fund may retain for such program purposes any interest earned on such deposits without returning such interest to the Treasury of the United States and without further appropriation by the Congress. Funds made available for Enterprise Funds shall be expended at the minimum rate necessary to make timely payment for projects and activities.

(j)(1) None of the funds appropriated under this heading may be made available for Russia unless the President determines and certifies in writing to the Committees on Appropriations that the Government of Russia has terminated implementation of arrangements to provide Iran with technical expertise, training, technology, or equipment necessary to develop a nuclear reactor, related nuclear research facilities or programs, or ballistic missile capability.

(2) Fifty percent of the funds appropriated under this heading that are allocated for Russia may be made available notwithstanding paragraph (1) if the President determines that making such funds available is vital to the national security interest of the United States. Any such determination shall cease to be effective six months after being made unless the President determines that its continuation is vital to the national security interest of the United States.

(k)(1) Funds appropriated under this heading may not be made available for the Government of Ukraine if the President determines and reports to the Committees on Appropriations that the Government of

Ukraine is engaged in military cooperation with the Government of Libya.

(2) Paragraph (1) shall not apply if the President determines that making such funds available is vital to the national security interest of the United States. Any such determination shall cease to be effective six months after being made unless the President determines that its continuation is vital to the national security interest of the United States.

(l) Funds made available under this Act or any other Act may not be provided for assistance to the Government of Azerbaijan until the President determines, and so reports to the Congress, that the Government of Azerbaijan is taking demonstrable steps to cease all blockades and other offensive uses of force against Armenia and Nagorno-Karabakh: *Provided*, That the restriction of this subsection and section 907 of the FREEDOM Support Act shall not apply to activities promoting democracy or assistance under title V of the FREEDOM Support Act and section 1424 of Public Law 104-201: *Provided further*, That none of the funds appropriated or otherwise made available under this Act may be utilized by the Export-Import Bank of the United States, the Overseas Private Investment Corporation, or the Trade and Development Agency to provide financing (including direct loans, loan guarantees, and insurance) or other assistance contrary to the provisions of section 907 of the FREEDOM Support Act.

(m) Funds appropriated under this heading shall be made available for humanitarian assistance through nongovernmental organizations for refugees, displaced persons, and needy civilians in conflict zones throughout the Trans-Caucasus, including Nagorno-Karabakh, notwithstanding any other provision of this or any other Act.

(n) Of the funds appropriated under this heading that are allocated for Ukraine, 50 percent shall be withheld from obligation and expenditure until the Secretary of State certifies to the Committees on Appropriations that the Government of Ukraine: (1) is enforcing the April 10, 1997 Anti-Corruption decree of President Kuchma; (2) has substantially completed the privatization of state owned agricultural storage, distribution, equipment and supply monopolies; and (3) has fully resolved most of the commercial disputes involving complaints by United States investors to the Embassy in Kiev as of April 30, 1997 and established a permanent legal mechanism for commercial dispute resolution.

INDEPENDENT AGENCIES

INTER-AMERICAN FOUNDATION

For necessary expenses to carry out the functions of the Inter-American Foundation in accordance with section 401 of the Foreign Assistance Act of 1969, and to make such contracts and commitments without regard to fiscal year limitations, as provided by 31 U.S.C. 9014, \$20,000,000.

AFRICAN DEVELOPMENT FOUNDATION

For necessary expenses to carry out title V of the International Security and Development Cooperation Act of 1980, Public Law 96-533, and to make such contracts and commitments without regard to fiscal year limitations as provided by 31 U.S.C. 9104, \$11,500,000: *Provided*, That funds made available to grantees may be invested pending expenditure for project purposes when authorized by the President of the Foundation: *Provided further*, That interest earned shall be used only for the purposes for which the grant was made: *Provided further*, That this authority applies to interest earned both

prior to and following enactment of this provision: *Provided further*, That notwithstanding section 505(a)(2) of the African Development Foundation Act, in exceptional circumstances the board of directors of the Foundation may waive the \$250,000 limitation contained in that section with respect to a project: *Provided further*, That the Foundation shall provide a report to the Committee on Appropriations after each time such waiver authority is exercised.

PEACE CORPS

For expenses necessary to carry out the provisions of the Peace Corps Act (75 Stat. 612), \$222,000,000, including the purchase of not to exceed five passenger motor vehicles for administrative purposes for use outside of the United States: *Provided*, That none of the funds appropriated under this heading shall be used to pay for abortions: *Provided further*, That funds appropriated under this heading shall remain available until September 30, 1999.

Mr. MICA. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I had planned to offer an amendment in this title, and I am not going to do that at this time. I think I would be remiss as a Member of Congress and someone who has spoken out about some of the funding for one of the agencies funded in this appropriations measure if I did not personally address what I consider a program that has room for improvement.

I do not mean to distract or to in any way denounce the work of this Committee on Appropriations subcommittee. I know they have an important task, and trying to come up with a foreign ops appropriations measure is a difficult task.

But I had proposed to offer an amendment here and had the support of many colleagues to reduce AID's administrative costs by about 5 percent, or \$19 million. That is just a small, token amount, really, but that money would have been put in the child survival and disease program fund, which would establish further protection of children throughout the world, and eradication of diseases.

Most people do not realize it, but 33,000 children die every day across the world, and an estimated 12 million children die under 5 years of age across the world every year from various diseases.

Mr. Chairman, I have been around the world and worked in international trade, and I would not be critical of AID if I had not seen firsthand some of the problems that we have with that agency. Again, I know this committee is trying to do its utmost to get this operation in order. But let me give the Members also my perspective as chairman of the Subcommittee on Civil Service of the Committee on Government Reform and Oversight, just an idea of how personnel in AID are stratified.

If Members think we are spending all of our money and funds in helping children and the needy in foreign countries where there is need of our assistance for those individuals, just listen to this. AID staffing has 2,916 employees. Overseas there are 1,096. In Washington, D.C., or this immediate area, there are 1,717 AID employees.

So those Members who are compassionate, those who are interested in trying to get our AID dollars going to where they can help the children, where they can help the truly needy, this budget appropriates again and will fund 1,717 positions just in the Washington, D.C. area for this agency.

Overall, AID has almost 8,000 employees, if we count in contract and foreign nationals that are hired. The entire Department of Education only has 5,000 employees.

Mr. Chairman, I will not get into all the issues of waste and mismanagement in AID, but I had met sometime ago overseas with the president of the U.S. Chamber of Commerce in an eastern bloc country. This is an American. He said Americans in AID, their AID program is the laughingstock of some of the eastern bloc and emerging nations, because the United States spends \$100 to give away \$1. That is my concern, that we put money where it can do the most good.

When we have 33,000 children dying every day, we can choose as to how this money is appropriated. My amendment would not have taken a penny out of what we are putting into the program, but it would redirect it as a national policy for these funds to go into child survival programs that are beneficial. That was the proposal that I had.

I will not offer it because I want the process to move forward. But Mr. Chairman, I ask the chairman and my colleagues and members of this panel to look very closely at how these funds are being spent and the policy that we are establishing: Does the money go where it should go? Do we take care of folks and children around the world that need help, or is it going to spend a tremendous amount of money in overhead on a bureaucracy in Washington, D.C.?

The CHAIRMAN. The Clerk will read. The Clerk read as follows:

DEPARTMENT OF STATE

INTERNATIONAL NARCOTICS CONTROL

For necessary expenses to carry out section 481 of the Foreign Assistance Act of 1961, \$230,000,000: *Provided*, That during fiscal year 1998, the Department of State may also use the authority of section 608 of the Act, without regard to its restrictions, to receive non-lethal excess property from an agency of the United States Government for the purpose of providing it to a foreign country under chapter 8 of part I of that Act subject to the regular notification procedures of the Committees on Appropriations: *Provided further*, That none of the funds made available under this heading may be provided to any unit of the security forces of a foreign country if the Secretary of State has credible evidence to believe such unit has committed gross violations of human rights unless the Secretary determines and reports to the Committees on Appropriations that the government of such country is taking steps to bring the responsible members of the security forces unit to justice.

POINT OF ORDER

Mr. BARR of Georgia. Mr. Chairman, I rise to a point of order.

The CHAIRMAN. The gentleman will state his point of order.

Mr. BARR of Georgia. Mr. Chairman, I make a point of order that the language beginning with "provided" on page 24, line 8, through "justice" on line 16 violates clause 2(b) of rule XXI of the rules of the House of Representatives.

Clause 2(b) of rule XXI states that in general, no provision changing existing law shall be reported in any general appropriations bill.

Mr. Chairman, I respectfully submit that the language reported in this general appropriations bill changes existing law in that it imposes duties such as the duty to make determinations or decisions on the Secretary of State, and that these are new duties not required in existing law.

Although the language is part of the relevant appropriations act for the current fiscal year, that act would not apply in the fiscal year covered by the pending bill, and under the precedents of this House, it is not considered as being "existing law" for the purpose of the relevant rule.

The CHAIRMAN. Does any other Member wish to be heard on the point of order?

Mr. CALLAHAN. Mr. Chairman, I concede the point of order.

The CHAIRMAN. The point of order is conceded.

That portion of the bill is stricken.

Mr. TORRES. Mr. Chairman, I want to speak in opposition to the point of order raised against the important counternarcotics human rights provision in this bill.

The CHAIRMAN. The Chair had ruled on the point of order since it was conceded by the Chairman.

Does the gentleman wish to be heard further on the point of order?

Mr. TORRES. Mr. Chairman, I was standing on my feet in opposition to the point of order.

PARLIAMENTARY INQUIRY

Mr. BARR of Georgia. Parliamentary inquiry, Mr. Chairman.

The CHAIRMAN. The gentleman will state his parliamentary inquiry.

Mr. BARR of Georgia. Mr. Chairman, is it proper to entertain further remarks on a point of order after the point of order has been sustained by the Chair?

The CHAIRMAN. Argument on a point of order is at the discretion of the Chair. The Chair will entertain the comments of the gentleman from California [Mr. TORRES] and withhold his ruling.

The Chair recognizes the gentleman from California [Mr. TORRES].

Mr. TORRES. Mr. Chairman, the bill currently contains the so-called Leahy provision which was enacted last year. The Leahy amendment stipulates that if the Secretary of State finds credible evidence implicating a foreign military unit of gross human rights violations, and no steps have been taken to bring those responsible to justice, then the unit, not the whole country, would be cut off from some form of U.S. counternarcotics aid.

I supported the effort to have this provision included in last year's bill. U.S. taxpayer dollars must not be spent on murderers. The situation today in Colombia is severe. Colombia has the worst human rights record in the Western Hemisphere, with an average of 10 Colombians murdered every day for political or ideological reasons. Approximately 65 percent of those killings are attributed to the military and their paramilitary allies.

Colombian units, military units, responsible for some of the worst human rights violations and atrocities in recent years were also those that received U.S. assistance. Joint army paramilitary operations have displaced thousands of civilians, mostly peasant farmers. Earlier this year inhabitants of more than 15 municipalities or communities in the municipality of Choco were forced to leave their communities by paramilitary groups. They were told they had 5 days, 5 days to abandon their homes. Otherwise, they would be killed. Several communities were bombed by military forces. Many people have fled to other regions, to neighboring Panama. There is reason to believe, and to be seriously concerned about the safety of the civilian population as these operations continue.

Mr. Chairman, I ask my colleagues, the Leahy provisions are the very minimum standards we utilize before releasing \$1 million of military aid to combat narco-trafficking. Using this procedure, making a point of order to strike the Leahy provision is a backdoor attempt to do away with a critical component of counternarcotics assistance accountability, and we must not allow that to happen.

Mr. BARRETT of Wisconsin. Mr. Chairman, will the gentleman yield?

The CHAIRMAN. The Chair controls the time. The Chair has recognized the gentleman from California [Mr. TORRES] briefly to talk on the point of order.

Is the gentleman from California [Mr. TORRES] finished on his comments?

Mr. TORRES. I yield to the gentleman from Wisconsin.

The CHAIRMAN. The gentleman is not able to yield.

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Mr. BARRETT of Wisconsin. Mr. Chairman, I rise in opposition to the point of order.

The CHAIRMAN. The Chair will entertain further brief comments on the point of order.

Mr. BARRETT of Wisconsin. Mr. Chairman, I also rise in opposition to the point of order. This provision, which was first authored by Senator LEAHY, prevents foreign security forces from using our aid to commit gross violations of human rights. That is the language. Gross violations of human rights.

I think we would all agree, Democrats and Republicans, that our foreign aid should not be used by foreign secu-

rity forces to kill, kidnap, or torture their own citizens. That is a principle which I would think would go unchallenged here today. The bill in its current form provides that no international narcotics control funds can be used to provide any aid to any unit of a security force of a foreign country if the Secretary of State has credible evidence to believe that unit has committed gross violations of human rights.

It has been suggested, and wrongly so, that any nongovernmental organization can hamstring our international narcotics assistance by bringing unfounded allegations of human rights. This is simply not true. The Leahy provision gives the Secretary of State the right to determine whether an allegation of gross human rights abuses is credible. Even if the Secretary of State concludes that such an allegation is credible, she can allow assistance to flow if she determines that the foreign government is taking steps to bring the responsible members of the security forces unit to justice.

Mr. Chairman, where is the problem? This is a carefully, narrowly drawn provision which gives the Secretary of State the discretion to assess reports of human rights abuses and to assess the efforts of foreign governments to control their security forces. Mr. Chairman, this does not provide or does not place any additional obligations on this use of money because this use of money or the use of Federal dollars is also controlled in other forms of Federal dollars.

In other words, we have the Leahy amendment in other types of assistance so the same type of analysis would be put on this type of assistance. I find it ironic that the gentleman from Georgia who has raised this point of order argued in committee that this is an issue that we should be debating, that Congress should be acting on this issue. Yet when we come to the floor he wants to completely stymie debate. This is an issue that should be debated on this floor because the basic issue, the basic issue again, Mr. Chairman, is whether we should be giving aid to units of government that commit gross violations of human rights.

Mr. FARR of California. Mr. Chairman, I rise to speak on the point of order.

The CHAIRMAN. The Chair will entertain further brief comments on the point of order.

Mr. FARR of California. Mr. Chairman, I concur with the gentleman that has just spoken. It makes no sense to give money or weapons to militaries without making sure that they are used for the right purposes. This provision just does that. It is a one sentence provision. It is totally permissive. It ensures that our resources are not misused by human rights violators.

I rise as a former member of the U.S. Peace Corps serving in Colombia. I know that there are human rights violations because a lot of the paramilitary down there we have no juris-

diction over have been using the military equipment that we have sent to Colombia. We need to make sure that we do not throw money at the problem of drugs if it puts human rights and innocent people at risk because, if we do that, we do not stand for anything. The credibility of America is gone. The provision is responsible and fair and should be kept in the final bill.

I urge the Chair to rule against the points of order because this is made in one sentence that is permissive and does not mandate that expenditure has to be done as such.

Ms. PELOSI. Mr. Chairman, I rise to speak briefly in opposition to the point of order.

The CHAIRMAN. The Chair recognizes the gentlewoman from California [Ms. PELOSI].

Ms. PELOSI. Mr. Chairman, I rise in opposition to the point of order and would like to make two points in regard to it.

First, it is unfortunate that this rule came to the floor this way not protecting this language as was requested by our committee. Let our membership debate this issue and vote one way or another. But to leave this issue exposed this way is, I think, a disservice to the Members of this House because the actual point of order that the gentleman makes, I believe, is based on a mistake, the mistaken impression that has been circulating here that we have been withholding funds from the Colombian national police. That is not true.

We have been withholding funds from the military but the United States has been assisting the Colombian national police in the battle against narcotics. Therefore, we would welcome the debate on the language that is in the bill which withholds funds from the units of the military which have committed gross human rights violations. I wish that the rule would have allowed our colleagues to hear the debate. Vote it up or down. I urge the Chair to reject the point of order.

The CHAIRMAN. The Chair is prepared to rule.

The provision requires the Secretary of State to evaluate "credible" evidence and to make reports not required by existing law. The point of order has been conceded by the gentleman from Alabama and the Chair sustains the point of order. The provision is in violation of clause 2 of rule XXI and is stricken from the bill.

The Clerk will read:

The Clerk read as follows:

MIGRATION AND REFUGEE ASSISTANCE

For expenses, not otherwise provided for, necessary to enable the Secretary of State to provide, as authorized by law, a contribution to the International Committee of the Red Cross, assistance to refugees, including contributions to the International Organization for Migration and the United Nations High Commissioner for Refugees, and other activities to meet refugee and migration needs; salaries and expenses of personnel and dependents as authorized by the Foreign Service Act of 1980; allowances as authorized by

sections 5921 through 5925 of title 5, United States Code; purchase and hire of passenger motor vehicles; and services as authorized by section 3109 of title 5, United States Code, \$650,000,000: *Provided*, That not more than \$12,000,000 shall be available for administrative expenses.

REFUGEE RESETTLEMENT ASSISTANCE

For necessary expenses for the targeted assistance program authorized by title IV of the Immigration and Nationality Act and section 501 of the Refugee Education Assistance Act of 1980 and administered by the Office of Refugee Resettlement of the Department of Health and Human Services, in addition to amounts otherwise available for such purposes, \$5,000,000.

UNITED STATES EMERGENCY REFUGEE AND MIGRATION ASSISTANCE FUND

For necessary expenses to carry out the provisions of section 2(c) of the Migration and Refugee Assistance Act of 1962, as amended (22 U.S.C. 260(c)), \$50,000,000, to remain available until expended: *Provided*, That the funds made available under this heading are appropriated notwithstanding the provisions contained in section 2(c)(2) of the Migration and Refugee Assistance Act of 1962 which would limit the amount of funds which could be appropriated for this purpose.

NONPROLIFERATION, ANTI-TERRORISM, DEMINING AND RELATED PROGRAMS

For necessary expenses for nonproliferation, anti-terrorism and related programs and activities, \$118,000,000, to carry out the provisions of chapter 8 of part II of the Foreign Assistance Act of 1961 for anti-terrorism assistance, section 504 of the FREEDOM Support Act for the Nonproliferation and Disarmament Fund, section 23 of the Arms Export Control Act for demining activities, notwithstanding any other provision of law, including activities implemented through non-governmental and international organizations, section 301 of the Foreign Assistance Act of 1961 for a voluntary contribution to the International Atomic Energy Agency (IAEA) and a voluntary contribution to the Korean Peninsula Energy Development Organization (KEDO): *Provided*, That of this amount not to exceed \$15,000,000, to remain available until expended, may be made available for the Nonproliferation and Disarmament Fund, notwithstanding any other provision of law, to promote bilateral and multilateral activities relating to non-proliferation and disarmament: *Provided further*, That such funds may also be used for such countries other than the new independent states of the former Soviet Union and international organizations when it is in the national security interest of the United States to do so: *Provided further*, That such funds shall be subject to the regular notification procedures of the Committees on Appropriations: *Provided further*, That funds appropriated under this heading may be made available for the International Atomic Energy Agency only if the Secretary of State determines (and so reports to the Congress) that Israel is not being denied its right to participate in the activities of that Agency: *Provided further*, That not to exceed \$25,000,000 may be made available to the Korean Peninsula Energy Development Organization (KEDO) only for administrative expenses and heavy fuel oil costs associated with the Agreed Framework: *Provided further*, That such funds may be obligated to KEDO only if, thirty days prior to such obligation of funds, the President certifies and so reports to Congress that (1)(A) the parties to the Agreed Framework are taking steps to assure that progress is made on the implementation of the January 1, 1992, Joint Declaration on the Denuclearization of the Ko-

rean Peninsula and the implementation of the North-South dialogue, and (B) North Korea is complying with the other provisions of the Agreed Framework between North Korea and the United States and with the Confidential Minute; (2) North Korea is co-operating fully in the canning and safe storage of all spent fuel from its graphite-moderated nuclear reactors and that such canning and safe storage is scheduled to be completed by the end of fiscal year 1998; and (3) North Korea has not significantly diverted assistance provided by the United States for purposes for which it was not intended: *Provided further*, That the President may waive the certification requirements of the preceding proviso if the President determines that it is vital to the national security interests of the United States: *Provided further*, That no funds may be obligated for KEDO until 30 calendar days after submission to Congress of the waiver permitted under the preceding proviso: *Provided further*, That the obligation of any funds for KEDO shall be subject to the regular notification procedures of the Committees on Appropriations: *Provided further*, That the Secretary of State shall submit to the appropriate congressional committees an annual report (to be submitted with the annual presentation for appropriations) providing a full and detailed accounting of the fiscal year request for the United States contribution to KEDO, the expected operating budget of the Korean Peninsula Energy Development Organization, to include unpaid debt, proposed annual costs associated with heavy fuel oil purchases, the amount of funds pledged by other donor nations and organizations to support KEDO activities on a per country basis, and other related activities.

TITLE III—MILITARY ASSISTANCE FUNDS APPROPRIATED TO THE PRESIDENT INTERNATIONAL MILITARY EDUCATION AND TRAINING

For necessary expenses to carry out the provisions of section 541 of the Foreign Assistance Act of 1961, \$50,000,000: *Provided*, That funds appropriated under this heading for grant financed military education and training for Indonesia and Guatemala may only be available for expanded international military education and training: *Provided further*, That none of the funds appropriated under this heading may be made available to support grant financed military education and training at the School of the Americas unless (1) the Secretary of Defense certifies that the instruction and training provided by the School of the Americas is fully consistent with training and doctrine, particularly with respect to the observance of human rights, provided by the Department of Defense to United States military students at Department of Defense institutions whose primary purpose is to train United States military personnel, (2) the Secretary of Defense certifies that the Secretary of State, in consultation with the Secretary of Defense, has developed and issued specific guidelines governing the selection and screening of candidates for instruction at the School of the Americas, and (3) the Secretary of Defense submits to the Committees on Appropriations a report detailing the training activities of the School of the Americas and a general assessment regarding the performance of its graduates during 1996.

SEQUENTIAL VOTES POSTPONED IN COMMITTEE OF THE WHOLE

The CHAIRMAN. Pursuant to the order of the House of Thursday, July 24, 1997, proceedings will now resume on those amendments on which further proceedings were postponed in the following order:

Amendment No. 13 offered by the gentleman from California [Mr. ROYCE]; and amendment No. 36 offered by the gentleman from Texas [Mr. PAUL].

The Chair will reduce to 5 minutes the time for any electronic vote after the first vote in this series.

AMENDMENT NO. 13 OFFERED BY MR. ROYCE

The CHAIRMAN. The pending business is the demand for a recorded vote on the amendment offered by the gentleman from California [Mr. ROYCE] on which further proceedings were postponed and on which the noes prevailed by voice vote.

The Clerk will designate the amendment.

The Clerk designated the amendment.

RECORDED VOTE

The CHAIRMAN. A recorded vote has been demanded.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 156, noes 272, not voting 6, as follows:

[Roll No. 346]

AYES—156

Andrews	Graham	Paul
Armey	Greenwood	Paxon
Bachus	Gutknecht	Pease
Barr	Hastert	Peterson (MN)
Barrett (WI)	Hayworth	Petri
Bartlett	Hefley	Pitts
Bass	Hilleary	Portman
Blagojevich	Hobson	Poshard
Bonior	Hoekstra	Pryce (OH)
Boswell	Horn	Radanovich
Burr	Hostettler	Ramstad
Burton	Hulshof	Riggs
Buyer	Hunter	Rivers
Campbell	Hutchinson	Roemer
Canady	Istook	Rogan
Chabot	Jackson (IL)	Rohrabacher
Chambliss	Jones	Ros-Lehtinen
Chenoweth	Kanjorski	Royce
Coble	Kaptur	Ryun
Coburn	Kasich	Salmon
Collins	Kingston	Sanders
Condit	Klug	Sanford
Conyers	Kucinich	Scarborough
Cook	Largent	Schaefer, Dan
Costello	LaTourette	Schaffer, Bob
Cox	Leach	Sensenbrenner
Crane	Lewis (GA)	Shadegg
Crapo	Linder	Shaw
Cubin	Lipinski	Shays
Cunningham	LoBiondo	Shuster
Deal	Luther	Smith (MI)
DeFazio	Markey	Smith (NJ)
Dellums	McHale	Smith (TX)
Diaz-Balart	McHugh	Smith, Linda
Dickey	McInnis	Solomon
Doyle	McIntosh	Souder
Duncan	McIntyre	Stearns
Ehrlich	McKeon	Strickland
Ensign	McKinney	Sununu
Eshoo	Meehan	Talent
Farr	Mica	Taylor (MS)
Fawell	Miller (FL)	Thune
Foley	Molinari	Tiahrt
Fowler	Myrick	Tierney
Fox	Nethercutt	Trafigant
Franks (NJ)	Neumann	Visclosky
Ganske	Ney	Wamp
Gibbons	Norwood	Watkins
Gillmor	Obey	Watts (OK)
Goodlatte	Pallone	Weldon (PA)
Goodling	Pappas	Whitfield
Goss	Pascarell	Woolsey

NOES—272

Abercrombie	Baldacci	Bentsen
Ackerman	Ballenger	Bereuter
Aderholt	Barcia	Berman
Allen	Barrett (NE)	Berry
Archer	Barton	Bilbray
Baesler	Bateman	Bilirakis
Baker	Becerra	Bishop

Bliley	Harman	Ortiz
Blumenauer	Hastings (FL)	Owens
Blunt	Hastings (WA)	Oxley
Boehlert	Hefner	Packard
Boehner	Herger	Parker
Bonilla	Hill	Pastor
Bono	Hilliard	Payne
Borski	Hinchey	Pelosi
Boucher	Hinojosa	Peterson (PA)
Boyd	Holden	Pickering
Brady	Hoolley	Pickett
Brown (CA)	Houghton	Pombo
Brown (FL)	Hoyer	Pomeroy
Brown (OH)	Hyde	Porter
Bryant	Inglis	Price (NC)
Bunning	Jackson-Lee	Quinn
Callahan	(TX)	Rahall
Calvert	Jefferson	Rangel
Camp	Jenkins	Redmond
Cannon	John	Regula
Capps	Johnson (CT)	Reyes
Cardin	Johnson (WI)	Riley
Carson	Johnson, E. B.	Rodriguez
Castle	Johnson, Sam	Rogers
Christensen	Kelly	Rothman
Clay	Kennedy (MA)	Roukema
Clayton	Kennedy (RI)	Roybal-Allard
Clement	Kennelly	Rush
Clyburn	Kildee	Sabo
Combust	Kilpatrick	Sanchez
Cooksey	Kim	Sandlin
Coyne	Kind (WI)	Sawyer
Cramer	King (NY)	Saxton
Cummings	Kleczka	Schumer
Danner	Klink	Scott
Davis (FL)	Knollenberg	Serrano
Davis (IL)	Kolbe	Sessions
Davis (VA)	LaFalce	Sherman
DeGette	LaHood	Shimkus
Delahunt	Lampson	Sisisky
DeLauro	Lantos	Skaggs
DeLay	Latham	Skeen
Deutsch	Lazio	Skelton
Dicks	Levin	Slaughter
Dingell	Lewis (CA)	Smith (OR)
Dixon	Lewis (KY)	Smith, Adam
Doggett	Livingston	Snowbarger
Dooley	Lofgren	Snyder
Doolittle	Lowey	Spence
Dreier	Lucas	Spratt
Dunn	Maloney (CT)	Stabenow
Edwards	Maloney (NY)	Stenholm
Ehlers	Manton	Stokes
Emerson	Manzullo	Stump
Engel	Martinez	Stupak
English	Mascara	Tanner
Etheridge	Matsui	Tauscher
Evans	McCarthy (MO)	Tauzin
Everett	McCarthy (NY)	Thomas
Ewing	McCullum	Thompson
Fattah	McCrery	Thornberry
Fazio	McDade	Thurman
Filner	McDermott	Torres
Flake	McGovern	Towns
Foglietta	McNulty	Turner
Ford	Meek	Upton
Frank (MA)	Menendez	Velazquez
Frelinghuysen	Metcalfe	Vento
Frost	Millender-	Walsh
Furse	McDonald	Waters
Galleghy	Miller (CA)	Watt (NC)
Gejdenson	Minge	Waxman
Gekas	Mink	Weldon (FL)
Gephardt	Moakley	Weller
Gilchrest	Mollohan	Wexler
Gilman	Moran (KS)	Weygand
Goode	Moran (VA)	White
Gordon	Morella	Wicker
Granger	Murtha	Wise
Green	Nadler	Wolf
Gutierrez	Neal	Wynn
Hall (OH)	Northup	Yates
Hall (TX)	Nussle	Young (FL)
Hamilton	Oberstar	
Hansen	Olver	

NOT VOTING—6

Forbes	Schiff	Taylor (NC)
Gonzalez	Stark	Young (AK)

□ 2057

Ms. DEGETTE, Mr. DOOLITTLE, Ms. SLAUGHTER, and Messrs. CUMMINGS, SESSIONS and SAXTON, and Mrs. MCCARTHY of New York changed their vote from "aye" to "no."

Messrs. CONYERS, BUYER and GILLMOR changed their vote from "no" to "aye."

So the amendment was rejected. The result of the vote was announced as above recorded.

AMENDMENT NO. 36 OFFERED BY MR. PAUL

The CHAIRMAN. The pending business is the demand for a recorded vote on the amendment offered by the gentleman from Texas [Mr. PAUL] on which further proceedings were postponed and on which the noes prevailed by voice vote.

The Clerk will designate the amendment.

The Clerk designated the amendment.

RECORDED VOTE

The CHAIRMAN. A recorded vote has been demanded.

A recorded vote was ordered.

The CHAIRMAN. This is a 5-minute vote.

The vote was taken by electronic device, and there were—ayes 40, noes 387, not voting 7, as follows:

[Roll No. 347]

AYES—40

Bachus	Ensign	Royce
Barr	Hayworth	Ryun
Bartlett	Hillery	Sanford
Burton	Hoekstra	Scarborough
Campbell	Hostettler	Sensenbrenner
Chabot	Hunter	Shadegg
Chenoweth	Istook	Smith (MI)
Coble	Markey	Smith, Linda
Coburn	McIntosh	Stearns
Crapo	Paul	Taylor (MS)
Deal	Pease	Trafigant
DeLay	Petri	Wamp
Doolittle	Pombo	
Duncan	Rohrabacher	

NOES—387

Abercrombie	Buyer	Doggett
Ackerman	Callahan	Dooley
Aderholt	Calvert	Doyle
Allen	Camp	Dreier
Andrews	Canady	Dunn
Archer	Cannon	Edwards
Armey	Capps	Ehlers
Baessler	Cardin	Ehrlich
Baker	Carson	Emerson
Baldacci	Castle	Engel
Ballenger	Chambliss	Engel
Barcia	Christensen	English
Barrett (NE)	Clay	Eshoo
Barrett (WI)	Clayton	Etheridge
Barton	Clement	Evans
Bass	Clyburn	Everett
Bateman	Collins	Ewing
Becerra	Combust	Farr
Bentsen	Condit	Fattah
Bereuter	Conyers	Fawell
Berman	Cook	Fazio
Berry	Cooksey	Filner
Bilbray	Costello	Flake
Bilirakis	Cox	Foglietta
Bishop	Coyne	Foley
Blagojevich	Cramer	Ford
Bliley	Crane	Fowler
Blumenauer	Cubin	Fox
Blunt	Cummings	Frank (MA)
Boehlert	Cunningham	Franks (NJ)
Boehner	Danner	Frelinghuysen
Bonilla	Davis (FL)	Frost
Bonior	Davis (IL)	Furse
Bono	Davis (VA)	Galleghy
Borski	DeFazio	Ganske
Boswell	DeGette	Gejdenson
Boucher	Delahunt	Gekas
Boyd	DeLauro	Gephardt
Brady	Dellums	Gibbons
Brown (CA)	Deutsch	Gilchrest
Brown (FL)	Diaz-Balart	Gillmor
Brown (OH)	Dickey	Gilman
Bryant	Dicks	Goode
Bunning	Dingell	Goodlatte
Burr	Dixon	Goodling

Manton	Rogan
Manzullo	Rogers
Martinez	Ros-Lehtinen
Mascara	Rothman
Matsui	Roukema
McCarthy (MO)	Royal-Allard
McCarthy (NY)	Rush
McCullum	Sabo
McCrery	Salmon
McDade	Sanchez
McDermott	Sanders
McGovern	Sandlin
McHale	Sawyer
McHugh	Saxton
McInnis	Schaefer, Dan
McIntyre	Schaffer, Bob
McKeon	Schumer
McKinney	Scott
Hill	Serrano
McNulty	Sessions
Meehan	Shaw
Meek	Shays
Menendez	Sherman
Metcalfe	Shimkus
Mica	Shuster
Millender-	Sisisky
McDonald	Skaggs
Miller (CA)	Skeen
Miller (FL)	Skelton
Minge	Slaughter
Mink	Smith (NJ)
Moakley	Smith (OR)
Molinari	Smith (TX)
Mollohan	Smith, Adam
Moran (KS)	Snowbarger
Moran (VA)	Snyder
Morella	Souder
Murtha	Spence
Myrick	Spratt
Nadler	Stabenow
Neal	Nethercutt
Neumann	Stokes
Ney	Strickland
Northup	Stump
Norwood	Stupak
Nussle	Sununu
Oberstar	Talent
Obey	Tanner
Olver	Tauscher
Ortiz	Tauzin
Owens	Thomas
Oxley	Thompson
Packard	Thornberry
Pallone	Thune
Pappas	Thurman
Parker	Tiahrt
Pascrell	Tierney
Pastor	Torres
Paxon	Towns
Payne	Turner
Pelosi	Upton
Peterson (MN)	Velazquez
Peterson (PA)	Vento
Pickering	Visclosky
Pickett	Walsh
Pitts	Waters
Pomeroy	Watkins
Porter	Watt (NC)
Portman	Watts (OK)
Poshard	Waxman
Price (NC)	Weldon (FL)
Pryce (OH)	Weldon (PA)
Quinn	Weller
Radanovich	Wexler
Rahall	Weygand
Ramstad	White
Rangel	Whitfield
Redmond	Wicker
Regula	Wise
Reyes	Wolf
Riggs	Woolsey
Riley	Wynn
Rivers	Yates
Rodriguez	Young (FL)
Roemer	

NOT VOTING—7

Forbes	Solomon	Young (AK)
Gonzalez	Stark	
Schiff	Taylor (NC)	

□ 2107

Messrs. SANFORD, BACHUS and RYUN changed their vote from "no" to "aye."

So the amendment was rejected. The result of the vote was announced as above recorded.

Mr. CALLAHAN. Mr. Chairman, I move that the Committee do now rise. The motion was agreed to.

Accordingly, the Committee rose; and the Speaker pro tempore (Mr. HASTINGS of Washington) having assumed the chair, Mr. THORNBERRY, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 2159), making appropriations for foreign operations, export financing, and related programs for the fiscal year ending September 30, 1998, and for other purposes, had come to no resolution thereon.

REMOVAL OF NAME OF MEMBER
AS COSPONSOR OF H.R. 695

Mr. BUNNING. Mr. Speaker, I ask unanimous consent that my name be removed as a cosponsor of H.R. 695.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

REMOVAL OF NAME OF MEMBER
AS COSPONSOR OF H.R. 695

Mr. HEFLEY. Mr. Speaker, I ask unanimous consent that my name be removed as a cosponsor of H.R. 695.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Colorado?

There was no objection.

EXPRESSING SENSE OF CONGRESS
REGARDING TERRORIST BOMBING
IN JERUSALEM

The SPEAKER pro tempore. The pending business is the question of suspending the rules and agreeing to the concurrent resolution, House Concurrent Resolution 133.

The Clerk read the title of the concurrent resolution.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from New York [Mr. GILMAN] that the House suspend the rules and agree to the concurrent resolution, House Concurrent Resolution 133, on which the yeas and nays are ordered.

The vote was taken by electronic device, and there were— yeas 427, nays 1, not voting 6, as follows:

[Roll No. 348]

YEAS—427

Abercrombie	Barrett (WI)	Blumenauer
Ackerman	Bartlett	Blunt
Aderholt	Barton	Boehler
Allen	Bass	Boehner
Andrews	Bateman	Bonilla
Archer	Becerra	Bonior
Armey	Bentsen	Bono
Bachus	Bereuter	Borski
Baesler	Berman	Boswell
Baker	Berry	Boucher
Baldacci	Bilbray	Boyd
Ballenger	Bilirakis	Brady
Barcia	Bishop	Brown (CA)
Barr	Blagojevich	Brown (FL)
Barrett (NE)	Bliley	Brown (OH)

Bryant	Gillmor	Markey
Bunning	Gilman	Martinez
Burr	Goode	Mascara
Burton	Goodlatte	Matsui
Buyer	Goodling	McCarthy (MO)
Callahan	Gordon	McCarthy (NY)
Calvert	Goss	McCollum
Camp	Graham	McCrary
Campbell	Granger	McDade
Canady	Green	McDermott
Cannon	Greenwood	McGovern
Capps	Gutierrez	McHale
Cardin	Gutknecht	McHugh
Carson	Hall (OH)	McInnis
Castle	Hall (TX)	McIntosh
Chabot	Hamilton	McIntyre
Chambliss	Hansen	McKeon
Chenoweth	Harman	McKinney
Christensen	Hastert	McNulty
Clay	Hastings (FL)	Meehan
Clayton	Hastings (WA)	Meek
Clement	Hayworth	Menendez
Clyburn	Hefley	Metcalfe
Coble	Hefner	Mica
Coburn	Heger	Millender-
Collins	Hill	McDonald
Combest	Hillery	Miller (CA)
Condit	Hilliard	Miller (FL)
Conyers	Hinche	Minge
Cook	Hinojosa	Mink
Cooksey	Hobson	Moakley
Costello	Hoekstra	Molinari
Cox	Holden	Mollohan
Coyne	Hooley	Moran (KS)
Cramer	Horn	Moran (VA)
Crane	Hostettler	Morella
Crapo	Houghton	Murtha
Cubin	Hoyer	Myrick
Cummings	Hulshof	Nadler
Cunningham	Hunter	Neal
Danner	Hutchinson	Neumann
Davis (FL)	Hyde	Ney
Davis (IL)	Inglis	Northup
Davis (VA)	Istook	Norwood
Deal	Jackson (IL)	Nussle
DeFazio	Jackson-Lee	Oberstar
DeGette	(TX)	Obey
Delahunt	Jefferson	Olver
DeLauro	Jenkins	Ortiz
DeLay	John	Owens
Dellums	Johnson (CT)	Oxley
Deutsch	Johnson (WI)	Packard
Diaz-Balart	Johnson, E. B.	Pallone
Dickey	Johnson, Sam	Pappas
Dicks	Jones	Parker
Dingell	Kanjorski	Pascarella
Dixon	Kaptur	Pastor
Doggett	Kasich	Paxon
Dooley	Kelly	Payne
Doolittle	Kennedy (MA)	Pease
Doyle	Kennedy (RI)	Pelosi
Dreier	Kennelly	Peterson (MN)
Duncan	Kildee	Peterson (PA)
Dunn	Kilpatrick	Petri
Edwards	Kim	Pickering
Ehlers	Kind (WI)	Pickett
Ehrlich	King (NY)	Pitts
Emerson	Kingston	Pombo
Engel	Kleczka	Pomeroy
English	Klink	Porter
Ensign	Klug	Portman
Eshoo	Knollenberg	Poshard
Etheridge	Kolbe	Price (NC)
Evans	Kucinich	Pryce (OH)
Everett	LaFalce	Quinn
Ewing	LaHood	Radanovich
Farr	Lampson	Rahall
Fattah	Lantos	Ramstad
Fawell	Largent	Rangel
Fazio	Latham	Redmond
Filner	LaTourette	Regula
Flake	Lazio	Reyes
Foglietta	Leach	Riggs
Foley	Levin	Riley
Ford	Lewis (CA)	Rivers
Fowler	Lewis (GA)	Rodriguez
Fox	Lewis (KY)	Roemer
Frank (MA)	Linder	Rogan
Franks (NJ)	Lipinski	Rogers
Frelinghuysen	Livingston	Rohrabacher
Frost	LoBiondo	Ros-Lehtinen
Furse	Lofgren	Rothman
Gallegly	Lowey	Roukema
Ganske	Lucas	Roybal-Allard
Gedjenson	Luther	Royce
Gekas	Maloney (CT)	Rush
Gephardt	Maloney (NY)	Ryun
Gibbons	Manton	Sabo
Gilchrest	Manzullo	Salmon

Sanchez	Smith, Adam	Torres
Sanders	Smith, Linda	Towns
Sandlin	Snowbarger	Trafficant
Sanford	Snyder	Turner
Sawyer	Solomon	Upton
Saxton	Souder	Velazquez
Scarborough	Spence	Vento
Schaefer, Dan	Spratt	Visclosky
Schaffer, Bob	Stabenow	Walsh
Schumer	Stokes	Wamp
Scott	Stenholm	Waters
Sensenbrenner	Stevens	Watkins
Serrano	Strickland	Watt (NC)
Sessions	Stump	Watts (OK)
Shadegg	Stupak	Waxman
Shaw	Sununu	Weldon (FL)
Shays	Talent	Weldon (PA)
Sherman	Tanner	Weller
Shimkus	Tauscher	Wexler
Shuster	Tauzin	Weygand
Sisisky	Taylor (MS)	White
Skaggs	Taylor (NC)	Whitfield
Skeen	Thomas	Wicker
Skelton	Thompson	Wise
Slaughter	Thornberry	Wolf
Smith (MI)	Thune	Woolsey
Smith (NJ)	Thurman	Wynn
Smith (OR)	Tiahrt	Yates
Smith (TX)	Tierney	Young (FL)

NAYS—1

Paul
NOT VOTING—6

Forbes	Nethercutt	Stark
Gonzalez	Schiff	Young (AK)

□ 2126

So the concurrent resolution was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

REMOVAL OF NAME OF MEMBER
AS COSPONSOR OF H.R. 695

Mr. EVERETT. Mr. Speaker, I ask unanimous consent to have my name removed as a cosponsor of H.R. 695.

The SPEAKER pro tempore (Mr. HASTINGS of Washington). Is there objection to the request of the gentleman from Alabama?

There was no objection.

REMOVAL OF NAME OF MEMBER
AS COSPONSOR OF H.R. 1577

Mr. HILL. Mr. Speaker, I ask unanimous consent to have my name removed as a cosponsor of H.R. 1577.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Montana?

There was no objection.

FOREIGN OPERATIONS, EXPORT
FINANCING, AND RELATED PRO-
GRAMS APPROPRIATIONS ACT,
1998

The SPEAKER pro tempore. Pursuant to the order of the House of Thursday, July 24, 1997, and rule XXIII, the Chair declares the House in the Committee of the Whole House on the State of the Union for the further consideration of the bill, H.R. 2159.

□ 2130

IN THE COMMITTEE OF THE WHOLE

Accordingly, the House resolved itself into the Committee of the Whole