

EXTENSIONS OF REMARKS

IMMIGRATION

HON. LEE H. HAMILTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 26, 1997

Mr. HAMILTON. Mr. Speaker, I would like to insert my Washington Report for Wednesday, June 25, 1997 into the CONGRESSIONAL RECORD.

A NATION OF IMMIGRANTS

Americans have long taken pride in our heritage as a nation of immigrants. From its beginnings as a nation, America has been a refuge for individuals fleeing persecution and an opportunity for new beginnings. Immigrants built our country. Southern Indiana, for example, was largely settled by a wave of German immigrants in the last century. We are now experiencing a new wave of immigration.

CURRENT SITUATION

The U.S. Immigration and Naturalization Service predicts that in the 1990s the U.S. will receive the largest number of immigrants of any decade in our nation's history: 10 million people, almost twice the population of Indiana. This surpasses the previous record decade for immigration, 1901-1910, which had less than 9 million immigrants.

However, because our population has grown greatly since the early 1900s, the percentage of foreign-born people is actually far less than earlier in this century. Foreign-born people currently represents 9% of the American population, which is half the proportion they made up in 1910. Indiana ranks among states with fewest immigrants. Legal and illegal immigrants are only about 1% of the state's population, with a smaller percentage in Southern Indiana.

THE ISSUE

Views on immigration vary widely. Some believe we should be open to all who seek new opportunities and hope to escape persecution. Others believe that immigration policies must be tempered to prevent newcomers from taking away American jobs. Some support immigration as a source of low-wage labor. Others are concerned that immigration is bringing about a cultural change in America. They often speak of a total moratorium on immigration.

Most Hoosiers favor decreasing legal immigration, and are upset about the presence of illegal immigrants. Nationwide, polls show that 80% of Americans favor reduced immigration levels.

WHO IS COMING

In 1995, the U.S. took in about 720,000 legal immigrants. Most (64%) were admitted because they are immediate family members of U.S. citizens.

The second-largest group (16%) was composed of refugees and asylum-seekers fleeing persecution in their homelands and seeking freedom in our country. A relatively small number (12%) were admitted because they possess special professional skills and high education which would significantly contribute to our economy and society. The smallest category (7%) included people admitted to bring about greater geographic diversity in the immigrant pool. Most were from Western European countries.

ECONOMIC IMPACT

Some Americans believe that immigrants cause a drain on the economy, since they benefit from social services such as welfare, education, and health care. However, there is strong evidence that immigrants overall help the economy. A recent study by the National Academy of Sciences found that the average immigrant contributes \$1800 more in taxes each year than he or she receives in benefits. The study said this is because immigrants tend to be highly motivated and experience faster wage growth than native-born Americans.

Immigrants sometimes take jobs away from native-born Americans, with the greatest impact on unskilled jobs in big cities. But it is also the case that immigrants have created many new jobs by spending their wages, establishing businesses, buying services, and paying taxes.

Immigration also helps shore up the Social Security system, adding to the labor force at a time when fewer workers will have to support more retirees. Europe and Japan, which take in fewer immigrants than we do, are straining under the burden of aging populations.

Overall, the best available figures suggest that the government spends more per capita for native-born Americans than for immigrants, roughly \$3800 versus \$2200 per year. In short, immigrants on average put more into the public coffers and take out less than native-Americans.

SOCIAL IMPACT

Those who wish to reduce immigration often claim that large-scale immigration is associated with crime and social breakdown, especially in big cities with high concentrations of newcomers such as New York, Los Angeles, and Chicago. Yet others point out that immigration seems to bring some social benefits, too. Experts believe that one reason for New York City's economic renaissance and falling crime rate is the influx of hard-working, enterprising immigrants who have helped rebuild formerly run-down neighborhoods.

A more serious problem is the cultural challenge posed by the changing character of immigration. Modern transportation and communications technology has made it easier for today's newcomers—primarily from Latin America and Asia—to keep their old language and culture. In addition, immigration from Mexico is concentrated in the Southwest, which inhibits the full integration of this group into the broader society and culture.

CONCLUSION

It is popular to blame immigrants, both legal and illegal, for many American problems. There is always the temptation for politicians to demonize aliens. My conclusion is that while immigration produces both costs and benefits, on balance it strengthens our nation.

I believe that Congress must pay more attention to immigration. Our responsibility is to set reasonable limits on numbers and rearrange preferences to maximize the positive aspects of immigration. For example, I doubt that it is in our interest to continue to emphasize family preferences to the detriment of highly skilled applicants.

If we fail to reduce the rate of legal immigration, and do not crack down on illegal immigration, the quality of life in this country

will decline. But we cannot completely bar the door to newcomers. Immigrants bring vitality, freshness, and diversity that enriches the country. I believe that a well-regulated system of legal immigration is in our national interest.

The motto that appears on our currency—"E Pluribus Unum", out of many, one—reminds us that maintaining the unity of our nation of immigrants is one of America's greatest historic achievements. It will also be one of our greatest challenges in the years ahead.

TRIBUTE TO MICHAEL CARL KERN

HON. JAMES A. BARCIA

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 26, 1997

Mr. BARCIA. Mr. Speaker, in addition to providing for their families, volunteers spend long tireless hours helping others while in return they receive no financial compensation. Volunteers selflessly sacrifice their free time to improve the quality of life for others. One of my constituents, Michael Carl Kern, has proven his dedication to his Nation, his State and his community time and time again by devoting his efforts and energy to the citizens of this country. A Vietnam era veteran, he is a long time veterans advocate, an outstanding patriot and an effective community activist.

Mike was born on May 13, 1942, and spent most of his life in my home town of Bay City, MI. He recently moved to Las Vegas, NV, but, his positive influence and efforts are sorely missed by Bay County's residents. Perhaps he is best known and recognized for his 23 years with American Legion Youth Programs.

Taking over in 1989, after the passing of Leon "Leo" Malechi, Mike served as the general manager for 7 years. Mike had big shoes to fill as Leo was awarded the "State Baseball Man of the Year" Mike said. He learned and implemented Leo's teachings effectively and efficiently. Mike was voted the 1997 American Legion Baseball man of the Year for his contribution to the State Legion baseball program.

American Legion baseball was established 77 years ago and is the oldest organized program of its kind. Mike committed countless hours to raising money to ensure its success in Bay County. He faithfully worked to improve Legion baseball in the State of Michigan by serving on the State American Legion Baseball Committee as 10th District Chairman and 4th Zone Chairman.

Not only did Mike work to provide children with baseball opportunities, he also provided many services for his fellow veterans. Serving as post commander at the American Legion Harding-Oak-Craidge Post 18, in Bay City, MI, he was the first person to be elected for three terms. Mike has been a member of the post for 25 years and has held several other influential positions. He is also a valuable member of the Vietnam Veteran Chapter 484, the Loyal Order of Moose Lodge 164, and the Matt

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Matter set in this typeface indicates words inserted or appended, rather than spoken, by a Member of the House on the floor.

Urban AMVETS's Post 46. He also served as the Bay County chairman of the Michigan veterans trust fund.

Mr. Speaker, every volunteer and veteran deserves our thanks for all that they have done for our country. We owe a special thanks to those, like Michael Carl Kern, who served our country in time of war and were able to find a way to serve in peace. He has paved the way for a bright future for our children and should be commended for all of his efforts.

PERSONAL EXPLANATION

HON. CAROLYN C. KILPATRICK

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 26, 1997

Ms. KILPATRICK. Mr. Speaker, because I was unavoidably detained in the 15th Congressional District of Michigan, I was not present at rollcall vote numbers 225, 226, and 227. Had I been present for these votes, I would have voted "aye" for all of these rollcall votes.

HELP REFORM OPIC

HON. DONALD A. MANZULLO

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 26, 1997

Mr. MANZULLO. Mr. Speaker, it is with a distinct privilege and honor that I introduced legislation yesterday designed to reform the Overseas Private Investment Corp. or OPIC. As we begin the appropriations process this year, one of the most hotly debated issues in future funding for trade promotion agencies, including OPIC. OPIC provides political risk insurance, in addition to project finance, for U.S. investments overseas in developing nations and emerging economies. OPIC's insurance covers one of three broad areas of political risk: currency inconvertibility, expropriation, and political violence. OPIC's project finance provides direct loans of between \$2 million and \$10 million for small businesses and loan guarantees for businesses of any size, which typically range between \$10 to \$75 million. This legislation I introduced along with 34 bipartisan original cosponsors retains what is best about OPIC and proposes to make a variety of reforms to make it even a stronger agency.

OPIC makes money for the U.S. Treasury. For 25 years, OPIC has operated at a surplus, accumulating more than \$2.7 billion in reserves and has written off only \$11 million in losses over that same time period, which is a record no bank or insurance company can match. These reserves are used by the U.S. Treasury to reduce the budget deficit. In 1996, OPIC took in \$209 million more than it spent through the collection of user fees from corporations. This amount is considered a net contribution to the 150 or the International Affairs Account. Even if OPIC was forced to put this money in a mattress and made no interest on these reserves, OPIC would still make money for the taxpayer to more than cover its annual operating expense through user fees imposed on corporations. Thus, by definition, OPIC is not corporate welfare.

OPIC also generates U.S. exports and creates U.S. jobs. Where foreign investments start, U.S. exports soon follow. OPIC-backed investments have generated \$52.8 billion in U.S. exports and have created more than 225,000 U.S. jobs. In 1996, OPIC-backed projects generated \$9.6 billion in U.S. exports and supported approximately 30,000 U.S. jobs. OPIC is specifically mandated in law that no project it supports costs U.S. jobs, and this legislation keeps current law.

OPIC fills a commercial void in the private sector. The international trade playing field is not level. All of our major trade competitors have OPIC-like national agencies providing similar products. OPIC never provides all of the financing required in a venture, which is a risk shared with the private sector. However, in dealing with developing economics, only a government agency can provide political risk insurance, especially over the long term.

For those who advocate that we should sell OPIC to the private sector because it makes money for the Government, privatization will cost the taxpayer money. According to a 1996 study by the respected J.P. Morgan Securities firm, the taxpayer would have to put up between \$700 and \$900 million to privatize OPIC because the commercial banks and insurance companies will not purchase OPIC's \$2.7 billion in reserves dollar for dollar because of the loss of Government backing.

One key benefit of OPIC that cannot be duplicated by the private sector is that OPIC also advances U.S. foreign policy goals. OPIC mobilizes private sector activity in support of overarching U.S. foreign policy aims including free market economic reform and democratization in developing nations and in formerly Communist countries while, at the same time, maintaining stringent environmental, health and safety standards, and supporting internationally recognized worker rights.

There are still some legitimate concerns about OPIC, and this legislation attempts to address the specific issues raised by constructive critics of the agency. First, the legislation authorizes a separate inspector general for OPIC and for the Trade and Development Agency [TDA]. This would provide for very close oversight of these agencies to insure that taxpayer money was fully protected. Even though OPIC has written off only \$11 million in losses over 25 years, an IG would be charged to continue this excellent track record to make sure OPIC accounts adequately protect the interests of the taxpayer.

The legislation also includes a safety net provision that ensures any OPIC project commitment of more than \$200 million are sent to Congress for a 35-day waiting period prior to final OPIC board action. This provision is similar to policies already in place at the Export-Import Bank of the United States [Ex-Im]. This will give an opportunity for the appropriate congressional committees to become aware of impending action of this magnitude and to be able to comment to the OPIC Board regarding their views on this proposal. While OPIC has never entered into any deal throughout its 25 year history that breached the \$200 million mark, there may be such opportunities in the future.

The bill also requires the administration to negotiate with other countries providing OPIC-like services an arrangement that would provide greater transparency, better notification, and maximum common terms for all such fi-

ancing and insurance programs. Critics of OPIC often forget that other foreign governments have much more aggressive export promotion programs, and this provision, I hope, will bring the opponents and supporters of OPIC together in a common cause to multilaterally reduce foreign government-sponsored investment assistance. To let OPIC expire without addressing the massive export promotion spending by other countries would amount to unilaterally disarmament by the United States in the global trade wars.

Another key feature of the legislation is a requirement that OPIC develop transparent and public participation guidelines as part of its policies to implement obligations relating to protection of the environment. OPIC has been criticized in the past for supplying insufficient information in a timely manner to the public about some of its projects. It is already part of OPIC policy that no project it supports can harm the environment. Anyone can see the clear difference United States investment can make in places like Russia where a diamond mine supported by OPIC is, in terms of environmental protection, light years ahead of their Russian-owned counterparts. But this provision would ensure that adequate information is provided to the public and to Congress on the implementation of OPIC's environmental protection obligations.

The bill would also create a 12-member export promotion commission comprised of individuals from both the private and public sectors to examine all Federal Government export promotion programs, including OPIC. The commission would be charged with making recommendations to Congress as to which programs should be retained, terminated, or merged with similar programs in other agencies. There are 19 different Federal agencies that are part of the Trade Promotion Coordinating Committee [TPCC]. Once and for all, we will resolve the question of which export promotion programs are necessary to maintaining our competitiveness and which programs deserve to end.

While this report is being prepared, the TPCC would be charged in this legislation to develop a comprehensive strategic export plan to encourage more small- and medium-sized businesses to export. This has been an issue close to my heart, as chairman of the Small Business Exports Subcommittee, where I have learned after holding 10 hearings on the subject of trade of the large number of small businesses that do not know where to go to take the first steps of finding customers overseas. This strategic export plan would reorient Federal export promotion agencies to be more proactive in reaching out to small businesses. The plan would also require more coordination of export promotion programs at the Federal, State, and local levels.

The bill also abolishes the separate ceilings on financing and investment insurance, combining the two in one overall ceiling and increase this combined ceiling by a total of \$6 billion through 1999. This allows OPIC to manage its resources more effectively and thus does not require the higher ceiling level that was proposed in the previous OPIC reauthorization bill that the House debated last year—H.R. 3759. In addition, a 2-year authorization also allows for more frequent congressional input, as opposed to a 5-year authorization that was contained in H.R. 3759.

Finally, the legislation would enable the administration to appoint the most skillful and