

bombing in the Jerusalem market and expresses the solidarity of the American people with the people of Israel in the face of this tragic and senseless act;

(2) Reaffirms the determination of the Congress to join with the government of Israel in fighting against international terrorism;

(3) Urges Yassir Arafat and officials of the Palestinian Authority to undertake immediately unequivocal action to bring to justice leaders of terrorist organizations and extremist groups and to eliminate all weapons and explosives in the hands of such groups;

(4) Reaffirms the commitment of the Congress of the United States to the peace process in the Middle East and urges all parties to work together to bring lasting peace and security without violence and terrorism to that region; and

(5) Urges the President and appropriate Executive agencies to provide all appropriate assistance to the government of Israel to provide medical and other assistance to the victims of this terrorist act, to bring to justice the terrorist leaders behind this and similar acts of violence, and to work to prevent such terrorist acts in the future.

The SPEAKER pro tempore. The question is on the concurrent resolution.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. LANTOS. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER pro tempore. Pursuant to clause 5 of rule I, further proceedings on this question will be postponed.

GENERAL LEAVE

Mr. CALLAHAN. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on 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, and that I may include tabular and extraneous materials.

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

There was no objection.

FOREIGN OPERATIONS, EXPORT FINANCING, AND RELATED PROGRAMS 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 consideration of the bill, H.R. 2159.

□ 1712

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 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. Pursuant to the order of the House of Thursday, July 24, 1997, the bill is considered read for the first time.

The gentleman from Alabama [Mr. CALLAHAN] and the gentlewoman from California [Ms. PELOSI] each will control 30 minutes.

The Chair recognizes the gentleman from Alabama [Mr. CALLAHAN].

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

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

Mr. CALLAHAN. Mr. Chairman, it is my privilege today to summarize the work of the Subcommittee on Foreign Operations as well as the full Committee on Appropriations in developing the fiscal 1998 Foreign Operations, Export Financing and Related Agencies appropriation bill.

First, I want to publicly express my appreciation for the cooperation extended by my colleague the gentlewoman from California [Ms. PELOSI], San Francisco to be specific, and her staff for their help in crafting this bill. Like the gentleman from Louisiana [Mr. LIVINGSTON] and the gentleman from Wisconsin [Mr. OBEY] before us, the ranking minority member and chairman do not agree with every detail of this bill, but we jointly recommend this bill to the House.

Again, this year the committee recommends a bill that is less than in previous years. We as well as our counterparts in the Senate fully recognize that foreign programs are not entitlements and must be subjected to the same scrutiny as domestic programs.

This year less than 5 percent of the money in this bill goes to the headline countries, such as Bosnia and Cambodia and Haiti. Another 43 percent supports the Middle East peace process, and that amount will not increase. But most of the money goes elsewhere to places where diplomats are seldom seen. What is it used for? It helps children, it protects victims of disasters and war, it promotes responsible economic growth in poor countries, it creates jobs at home through trade and investment, and that is why the \$12.267 billion is needed to fund this appropriations bill.

□ 1715

Let me move on to some of the specifics in this bill, beginning with the possible impact of the Congressional Budget Resolution.

At \$12.267 billion in discretionary budget authority, this bill is now \$233 million under our 602(b) allocation, it is \$4.6 billion less than the President's request, and \$4.5 billion less than the Senate bill. It is also \$87,000 below last year's appropriation bill. Let me once again reemphasize that this year, once

again, in voting for the final passage of this bill, Members will be cutting foreign aid as we have done for the last 2 years.

Not every dollar level nor every policy in this bill will find its way into the final conference report in September. The President has no objection to the House passage of this bill, but his advisers signal that he is unlikely to sign a bill at this appropriation level. The House conferees will do our best to hold the line, but the final outcome will be different from what we recommend today, I am sure.

Let me move on to some of the policy issues we have addressed this year, and then to some of the major programs funded through this measure.

The committee again directs through the report language that Israel and Egypt receive the traditional amount of economic and support funds and military assistance. However, leaders of Israel and Egypt have publicly indicated their intention to gradually reduce the burden of economic support by American taxpayers. Our efforts are complicated by the urgent needs of Jordan, Israel's principal peace partner today.

With regard to the South Caucasus and Black Sea-Aegean region, the committee has worked hard to develop a balanced approach. The bill language directs the administration to provide humanitarian assistance to conflictive zones throughout the South Caucasus, including Karabagh for the first time.

We also provide for democracy training in Azerbaijan, and a cap of \$40 million in ESF for Turkey, half of which is to be in the form of projects for specific purposes, as directed by section 571. Finally, the committee has reiterated current law with regard to trade and export agencies in the region.

Our chairman, the gentleman from Louisiana [Mr. LIVINGSTON], and the gentleman from Illinois [Mr. PORTER] and the gentleman from Michigan [Mr. KNOLLENBERG] have worked hard on the provisions I have just discussed.

They and the managers oppose all amendments that would disadvantage the United States' efforts to mediate conflict in the Caucasus and Aegean regions.

There are several policy regions involving spending in our own hemisphere. Many of our Members favor tighter control over training at the School of the Americas. We have included language in the bill this year which I believe will address most of the concerns. Before taking a position on any amendment to ban IMET funding for the School of the Americas, I ask all Members to take time to read the committee's bill language on page 29.

Guatemala, Haiti, and Panama are three other countries that have drawn attention from many Members. The committee welcomes and supports the peace settlement in Guatemala. Several Members had the opportunity to witness this first hand in April of this year.

The stagnation in the Government of Haiti makes it difficult for the committee to recommend types of long-term development assistance that cannot be implemented by the weak government there. We encourage USAID to focus on humanitarian assistance, including food aid, as long as former President Aristide blocks progress in rule of law and privatization.

Finally, the committee is disturbed by the situation in Panama. Critical port facilities have been leased to Chinese companies in a less than transparent manner. These leases are also a potential threat to United States national security.

As it has for many years, this bill includes language in two places prohibiting the use of funds to pay for abortions or involuntary sterilization. The underlying law, the Foreign Assistance Act of 1961, also explicitly prohibits the use of funds in this bill for abortion. I repeat, none of the funds in this bill can be used for abortion.

Like a majority of the House, I voted two times earlier this year for the Mexico City policy legislation. That legislation is in conference in the Senate as part of the U.N. reform legislation. Our Mexico City policy champion, the gentleman from New Jersey [Mr. SMITH] is a senior conferee. I wish him luck in working out this issue with the President and with the Senate.

Our new child survival and disease programs fund is retained, and incidentally, we received more correspondence from Members of this body requesting that we continue the funding of the child support program than any other single issue in our entire bill. We have increased this funding this year to \$650 million, with the increase aimed at the alarming increase in the incidence of infectious diseases. Again this year we recommend at least \$100 million to UNICEF, and that it be provided from the child survival fund.

For export and investment assistance programs the committee recommends a gross total of \$753 million, which is partially offset by collections of \$251 million. The subsidy appropriations for the Eximbank is \$632 million, the same as the request. At a later point in the

process the committee will consider increasing this amount if a further request is received from the bank's new President and the director of OMB. Although the committee has deferred acting on the request of \$60 million for subsidy appropriations for the OPIC, it fully supports \$32 million needed for its administrative expenses.

As an extension of OPIC's statutory sunset operating statute is expected to be reported by the Committee on International Relations within a few days, I will oppose any amendment to kneecap OPIC by slashing its operating expenses. With bipartisan support for an expanded OPIC role in moving Africa from aid dependence to global trading presence, this is no time for us to cripple OPIC.

Other AID development assistance programs as well as disaster assistance are amply provided for. Our report directs that an additional \$10 million be provided for the microenterprise grants so many Members have also endorsed. It also directs an additional \$20 million for Latin America and the Caribbean, and it recommends a full request for Africa be funded in the child survival and disease programs fund and the development assistance fund. In all of these cases the emphasis is on alleviating poverty through economic growth.

Mr. Chairman, I am going to abbreviate the rest of my remarks, but let me again emphasize to Members in the House that this is once again a cut in foreign aid. We recognize it is far below the President's request, some \$4 billion below what President Clinton has requested.

We at the same time want to express our appreciation for the talent of Secretary Madeleine Albright. She is a remarkable and delightful diplomat, and we want to do everything we can to provide her the necessary tools that she needs to continue her quest for world peace, and to continue the diplomacy that she so professionally has performed in her tenure as Secretary of State.

Once again, we are facing cuts. We are facing a time in this country when the American people want us to cut back on government spending, and

they did not send us to Washington to cut everything but foreign aid. So Members can proudly, as Members of this House, go home and tell their constituents that they did the responsible thing: gave the administration an acceptable level of funding, but at the same time, recognizing the austerity program that we are in, we are respectfully cutting the President's request by \$4 billion.

Mr. Chairman, I include for the RECORD a letter dated 16 July 1997 from Carol Bellamy, Executive Director, UNICEF,

UNICEF

New York, NY, July 16, 1997.

Hon. SONNY CALLAHAN,
Chairman, Subcommittee on Foreign Operations, Export Financing, and Related Programs, Capitol Building, Washington, DC.

DEAR MR. CHAIRMAN: As you may be aware, the Secretary-General has today unveiled before the UN General Assembly an ambitious UN reform proposal. For your information, I have today welcomed the proposal and expressed gratitude to the Secretary-General for taking into consideration UNICEF's unique identity, mandate and relationship with its partners in the field. I personally look forward to working with the Secretary-General, his senior staff, and our sister UN agencies over the months ahead to work out the details associated with these reforms. I know that together, and with your support, we can indeed improve the effectiveness and efficiency of the United Nations funds and programs.

I want to take this opportunity as well to thank you again for responding so quickly to UNICEF's concerns about earlier versions of the UN reform proposals that failed to appreciate the unique public/private nature of UNICEF, its relationship with national governments, and its role as the sole UN agency focussing on the survival, development and protection of the whole child. Your letters and report language have ensured that the highest levels of the United Nations, which are truly committed to effective reform, understand that we can move forward with reform without damaging UNICEF.

We will be fully engaged in the UN reform process over the next several months and look forward to keeping you informed of our progress.

Sincerely,

CAROL BELLAMY,
Executive Director.

Mr. Chairman, I include for the RECORD the following tabular material:

**FOREIGN OPERATIONS, EXPORT FINANCING, AND RELATED PROGRAMS
APPROPRIATIONS BILL (H.R. 2159)**

	FY 1997 Enacted	FY 1998 Estimate	Bill	Bill compared with Enacted	Bill compared with Estimate
TITLE I - EXPORT AND INVESTMENT ASSISTANCE					
EXPORT-IMPORT BANK OF THE UNITED STATES					
Limitation on Program Activity:					
Subsidy appropriation	726,000,000	632,000,000	632,000,000	-94,000,000	.....
(Direct loan authorization)	(1,270,000)	(1,330,000,000)	(1,330,000,000)	(+ 1,328,730,000)	.....
(Guaranteed loan authorization)	(11,050,000,000)	(11,300,000,000)	(11,300,000,000)	(+ 250,000,000)	.....
Administrative expenses	46,614,000	48,614,000	48,614,000	+ 2,000,000	.....
Negative subsidy	-58,000,000	-51,000,000	-51,000,000	+ 7,000,000	.....
Total, Export-Import Bank of the United States	714,614,000	629,614,000	629,614,000	-85,000,000	.....
OVERSEAS PRIVATE INVESTMENT CORPORATION					
Noncredit account:					
Administrative expenses	32,000,000	32,000,000	32,000,000	.....	.....
Insurance fees and other offsetting collections	-224,000,000	-251,000,000	-251,000,000	-27,000,000	.....
Direct loans:					
Loan subsidy	4,000,000	4,000,000	.....	-4,000,000	-4,000,000
(Loan authorization)	(80,000,000)	(133,000,000)	.....	(-80,000,000)	(-133,000,000)
Guaranteed loans:					
Loan subsidy	68,000,000	56,000,000	.....	-68,000,000	-56,000,000
(Loan authorization)	(1,360,000,000)	(1,800,000,000)	.....	(-1,360,000,000)	(-1,800,000,000)
Total, Overseas Private Investment Corporation	-120,000,000	-159,000,000	-219,000,000	-99,000,000	-60,000,000
FUNDS APPROPRIATED TO THE PRESIDENT					
Trade and Development Agency					
Trade and development agency	40,000,000	43,000,000	40,000,000	.....	-3,000,000
(By transfer)	(5,000,000)	.....	.....	(-5,000,000)	.....
Total, title I, Export and investment assistance	634,614,000	513,614,000	450,614,000	-184,000,000	-63,000,000
(Loan authorizations)	(12,491,270,000)	(14,563,000,000)	(12,630,000,000)	(+ 138,730,000)	(-1,933,000,000)
TITLE II - BILATERAL ECONOMIC ASSISTANCE					
FUNDS APPROPRIATED TO THE PRESIDENT					
Agency for International Development					
Child survival and disease programs fund	600,000,000	.....	650,000,000	+ 50,000,000	+ 650,000,000
Development assistance	1,181,500,000	998,000,000	1,167,000,000	-14,500,000	+ 169,000,000
Development Fund for Africa .....	.....	700,000,000	.....	.....	-700,000,000
International disaster assistance	190,000,000	190,000,000	190,000,000	.....	.....
Debt restructuring	27,000,000	34,000,000	27,000,000	.....	-7,000,000
Micro & Small Enterprise Development program account:					
Subsidy appropriations	1,500,000	1,500,000	1,500,000	.....	.....
(Direct loan authorization)	(1,000,000)	(1,000,000)	(1,000,000)	.....	.....
(Guaranteed loan authorization)	(39,000,000)	(48,000,000)	(48,000,000)	(+ 9,000,000)	.....
Administrative expenses	500,000	500,000	500,000	.....	.....
Urban and environmental credit program account:					
Subsidy appropriations	3,500,000	3,000,000	3,000,000	-500,000	.....
(Guaranteed loan authorization)	(29,400,000)	(46,000,000)	(46,000,000)	(+ 16,600,000)	.....
Administrative expenses	6,000,000	6,000,000	6,000,000	.....	.....
Subtotal, development assistance	2,010,000,000	1,933,000,000	2,045,000,000	+ 35,000,000	+ 112,000,000
Payment to the Foreign Service Retirement and Disability Fund	43,826,000	44,208,000	44,208,000	+ 382,000	.....
Operating expenses of the Agency for International Development	470,750,000	473,000,000	468,750,000	-2,000,000	-4,250,000
Operating expenses of the Agency for International Development Office of Inspector General	30,000,000	29,047,000	29,047,000	-953,000	.....
Subtotal, Agency for International Development	2,554,576,000	2,479,255,000	2,587,005,000	+ 32,429,000	+ 107,750,000
Other Bilateral Economic Assistance					
Economic support fund:					
Camp David countries	2,015,000,000	2,015,000,000	2,015,000,000	.....	.....
Other	328,000,000	482,600,000	385,000,000	+ 57,000,000	-97,600,000
Subtotal, Economic support fund	2,343,000,000	2,497,600,000	2,400,000,000	+ 57,000,000	-97,600,000
International fund for Ireland	19,600,000	.....	19,600,000	.....	+ 19,600,000
Assistance for Eastern Europe and the Baltic States	475,000,000	492,000,000	470,000,000	-5,000,000	-22,000,000
Assistance for the New Independent States of the former Soviet Union	625,000,000	900,000,000	625,000,000	.....	-275,000,000
U.S. Russian Investment Fund (by transfer) .....	.....	(50,000,000)	.....	.....	(-50,000,000)
Subtotal, Other Bilateral Economic Assistance	3,462,600,000	3,889,600,000	3,514,600,000	+ 52,000,000	-375,000,000
Total, Agency for International Development	6,017,176,000	6,368,855,000	6,101,605,000	+ 84,429,000	-267,250,000

**FOREIGN OPERATIONS, EXPORT FINANCING, AND RELATED PROGRAMS
APPROPRIATIONS BILL (H.R. 2159)—Continued**

	FY 1997 Enacted	FY 1998 Estimate	Bill	Bill compared with Enacted	Bill compared with Estimate
INDEPENDENT AGENCIES					
Inter-American Foundation					
Appropriations		22,000,000	20,000,000	+ 20,000,000	-2,000,000
African Development Foundation					
Appropriations		14,000,000	11,500,000	+ 11,500,000	-2,500,000
Peace Corps					
Appropriations	208,000,000	222,000,000	222,000,000	+ 14,000,000	
(By transfer).....	(12,000,000)			(-12,000,000)	
Department of State					
International narcotics control	213,000,000	230,000,000	230,000,000	+ 17,000,000	
Migration and refugee assistance	650,000,000	650,000,000	650,000,000		
Refugee resettlement assistance.....	5,000,000		5,000,000		+ 5,000,000
United States Emergency Refugee and Migration					
Assistance Fund	50,000,000	50,000,000	50,000,000		
Anti-terrorism assistance.....		19,000,000			-19,000,000
Nonproliferation and Disarmament Fund		15,000,000			-15,000,000
Nonproliferation, anti-terrorism, demining and related programs....	151,000,000		118,000,000	-33,000,000	+ 118,000,000
Total, Department of State.....	1,069,000,000	964,000,000	1,053,000,000	-16,000,000	+ 89,000,000
Total, title II, Bilateral economic assistance.....	7,294,176,000	7,590,855,000	7,408,105,000	+ 113,929,000	-182,750,000
(By transfer).....	(12,000,000)	(50,000,000)	(4,500,000)	(-7,500,000)	(-45,500,000)
(Loan authorizations).....	(69,400,000)	(95,000,000)	(95,000,000)	(+ 25,600,000)	
TITLE III - MILITARY ASSISTANCE					
FUNDS APPROPRIATED TO THE PRESIDENT					
International Military Education and Training	43,475,000	50,000,000	50,000,000	+ 6,525,000	
Foreign Military Financing Program:					
Grants:					
Camp David countries	3,100,000,000	3,100,000,000	3,100,000,000		
Other	124,000,000	174,250,000	159,250,000	+ 35,250,000	-15,000,000
Subtotal, grants.....	3,224,000,000	3,274,250,000	3,259,250,000	+ 35,250,000	-15,000,000
(Limitation on administrative expenses).....	(23,250,000)	(23,250,000)	(23,250,000)		
Direct concessional loans:					
Subsidy appropriation	60,000,000	66,000,000	60,000,000		-6,000,000
(Loan authorization).....	(540,000,000)	(699,500,000)	(657,000,000)	(+ 117,000,000)	(-42,500,000)
FMF program level.....	(3,784,000,000)	(3,973,750,000)	(3,916,250,000)	(+ 152,250,000)	(-57,500,000)
Total, Foreign military assistance	3,284,000,000	3,340,250,000	3,319,250,000	+ 35,250,000	-21,000,000
Special Defense Acquisition Fund:					
Offsetting collections	-166,000,000	-106,000,000	-106,000,000	+ 60,000,000	
Peacekeeping operations.....	65,000,000	90,000,000	77,500,000	+ 12,500,000	-12,500,000
Total, title III, Military assistance	3,226,475,000	3,374,250,000	3,340,750,000	+ 114,275,000	-33,500,000
(Limitation on administrative expenses).....	(23,250,000)	(23,250,000)	(23,250,000)		
(Loan authorization).....	(540,000,000)	(699,500,000)	(657,000,000)	(+ 117,000,000)	(-42,500,000)
TITLE IV - MULTILATERAL ECONOMIC ASSISTANCE					
FUNDS APPROPRIATED TO THE PRESIDENT					
International Financial Institutions					
World Bank Group					
Contribution to the International Bank for Reconstruction and Development:					
Contribution to the International Finance Corporation.....	6,656,000			-6,656,000	
Contribution to the Global Environment Facility.....	35,000,000	100,000,000	35,000,000		-65,000,000
Contribution to the International Development Association.....	700,000,000	1,034,504,000	606,000,000	-94,000,000	-428,504,000
Total, World Bank Group	741,656,000	1,134,504,000	641,000,000	-100,656,000	-493,504,000
Contribution to the Inter-American Development Bank:					
Paid-in capital	25,610,667	25,610,667	25,610,667		
(Limitation on callable capital subscriptions)	(1,503,718,910)	(1,503,718,910)	(1,503,718,910)		
Fund for special operations.....	10,000,000	20,835,000	20,835,000	+ 10,835,000	
Contribution to the Enterprise for the Americas					
Multilateral Investment Fund	27,500,000	30,000,000		-27,500,000	-30,000,000
Total, contribution to the Inter-American Development Bank..	63,110,667	76,445,667	46,445,667	-16,665,000	-30,000,000

**FOREIGN OPERATIONS, EXPORT FINANCING, AND RELATED PROGRAMS
APPROPRIATIONS BILL (H.R. 2159)—Continued**

	FY 1997 Enacted	FY 1998 Estimate	Bill	Bill compared with Enacted	Bill compared with Estimate
Contribution to the Asian Development Bank:					
Paid-in capital	13,221,596	13,221,596	13,221,596		
(Limitation on callable capital subscriptions)	(647,858,204)	(647,858,204)	(647,858,204)		
Contribution to the Asian Development fund	100,000,000	150,000,000	100,000,000		-50,000,000
Total, contribution to the Asian Development Bank.....	113,221,596	163,221,596	113,221,596		-50,000,000
Contribution to the African Development Fund		50,000,000	25,000,000	+25,000,000	-25,000,000
Contribution to the European Bank for Reconstruction and Development:					
Paid-in capital	11,916,447	35,778,717	35,778,717	+23,862,270	
(Limitation on callable capital subscriptions)	(27,805,043)	(123,237,803)	(123,237,803)	(+95,432,760)	
North American Development Bank:					
Paid-in capital	56,000,000	56,500,000	56,500,000	+500,000	
(Limitation on callable capital subscriptions)	(318,750,000)	(318,750,000)	(318,750,000)		
Contribution to the Bank for Economic Cooperation and Development in the Middle East and North Africa:					
(By transfer)		(52,500,000)			(-52,500,000)
(Limitation on callable capital subscriptions)		(157,500,500)			(-157,500,500)
International Monetary Fund					
Contribution to the enhanced structural adjustment facility		7,000,000			-7,000,000
Loans to International Monetary Fund		3,521,000,000			-3,521,000,000
Total, International Financial Institutions.....					
(Limitation on callable capital subscript)	985,904,710	5,044,449,980	917,945,980	-67,958,730	-4,126,504,000
	(2,498,132,157)	(2,751,065,417)	(2,593,564,917)	(+95,432,760)	(-157,500,500)
International Organizations and Programs					
International organizations and programs	169,950,000	365,000,000	194,000,000	+24,050,000	-171,000,000
(By transfer)	(17,500,000)			(-17,500,000)	
Total, title IV, Multilateral economic assistance.....					
(By transfer)	1,155,854,710	5,409,449,980	1,111,945,980	-43,908,730	-4,297,504,000
(Limitation on callable capital subscript)	(17,500,000)	(52,500,000)		(-17,500,000)	(-52,500,000)
	(2,498,132,157)	(2,751,065,417)	(2,593,564,917)	(+95,432,760)	(-157,500,500)
Grand total					
(By transfer)	12,311,119,710	16,888,168,980	12,311,414,980	+295,270	-4,576,754,000
(Limitation on administrative expenses)	(34,500,000)	(102,500,000)	(4,500,000)	(-30,000,000)	(-98,000,000)
(Limitation on callable capital)	(23,250,000)	(23,250,000)	(23,250,000)		
(Loan authorizations)	(2,498,132,157)	(2,751,065,417)	(2,593,564,917)	(+95,432,760)	(-157,500,500)
	(13,100,670,000)	(15,357,500,000)	(13,382,000,000)	(+281,330,000)	(-1,975,500,000)
Total mandatory and discretionary.....					
Mandatory	12,311,119,710	16,888,168,980	12,311,414,980	+295,270	-4,576,754,000
Discretionary	43,826,000	44,208,000	44,208,000	+382,000	
	12,267,293,710	16,843,960,980	12,267,206,980	-86,730	-4,576,754,000

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

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

Mr. Chairman, I rise in support of the foreign operations export, finance, and related programs legislation, and in doing so, commend our chairman, the gentleman from Alabama [Mr. CALLAHAN], for his exceptional leadership in forging the bipartisan bill to the floor today. Although we may not agree on all of the issues in the bill, we come with a unified message.

Hopefully the amendments that have been introduced on the floor will not do damage to the bipartisanship that the gentleman from Alabama [Mr. CALLAHAN] imposed upon us, that he nurtured as we went along. He indeed is the gentleman from Alabama. I am grateful to him for his accessibility in terms of hearing our case and putting some of our priorities into the legislation.

I also want to join him in commending our chairman of the full committee, the gentleman from Louisiana [Mr. LIVINGSTON], for his participation in the bipartisan spirit to bring this bill to the floor, and the gentleman from Wisconsin [Mr. OBEY], our ranking member of the full committee, a longtime chair of the Subcommittee on Foreign Operations, Export Financing and Related Programs of the Committee on Appropriations for his great wisdom and spirit of bipartisanship.

Before I begin, Mr. Speaker, I want to acknowledge the hard work of the majority and minority staff, Charlie Flickner, Bill Inglee, John Shank, Nancy Tippens, Lori Maes, Mark Murray, and Carolyn Bartholomew, and thank them for their very, very hard work, not only in bringing the legislation to the floor, but for the hearing process and all that went into developing this piece of legislation today.

Before I proceed on the substance of the bill, Mr. Chairman, I want to join our colleagues, the gentleman from New York [Mr. GILMAN] and the gentleman from California [Mr. LANTOS], in the resolution that preceded our bringing the foreign operations bill to the floor.

I, too, want to extend my condolences to the people of Israel for their suffering because of the tragic terrorist act. It is appropriate that this resolution preceded our bill, because our bill has made a very, very strong commitment to peace in the Middle East. These senseless terrorist acts are not in furtherance of that peace. I wanted to add my voice of sympathy to those of our colleagues who spoke on the resolution.

Mr. Chairman, this legislation addresses foreign operations, export financing, and related programs, as its title describes. As the world's sole remaining superpower and as the beacon of hope and opportunity for people around the world, it is within our ability and indeed it is vital to our national interest to provide the necessary

resources to meet our collective foreign policy goals.

We have and will continue to have disagreements in this body about the framework of our foreign policy goals and just what constitutes our national security interest. The fact of the matter is, however, that the overwhelming majority of funds in this bill go to an agenda on which we can all agree.

These include alleviating poverty, fighting illness and eradicating disease worldwide, educating the poor, caring for refugees and displaced persons, teaching women about their choices, saving the lives of starving children, facilitating the transition to free markets and to democratic society, addressing environmental degradation, helping American companies enhance their export opportunities, providing small loans to those who need help to start businesses in the microenterprise arena that the First Lady and the administration has taken such leadership in, and promoting basic human rights and democratic freedoms.

These goals, as I say, are those which we can all agree upon. They are important and they should be funded adequately.

We are all familiar with President Kennedy's inaugural address when he said, and Americans of a certain age and generation all know what he said in the inaugural address, "To those peoples in the huts and villages of half the globe, struggling to break the bonds of mass misery, we pledge our best efforts to help them help themselves, for whatever period is required, not because the Communists may be doing it, not because we seek their votes, but because it is right. If a free society cannot help the many who are poor, it cannot save the few who are richer."

Many things have changed since that day in 1961, but many things have not. Our foreign policy is no longer based on containing communism, but there are many more people in the world struggling to break the bonds of mass misery today than there were in 1961. We are in fact providing those people with vital assistance.

Thus, we have an even greater challenge before us today than we had in 1961, and should not be bound by artificial limits on what we are spending to meet our basic responsibility as the world's only remaining superpower to make the world healthier and more secure for all of us.

We as Members of this body have a challenge before us with respect to demonstrating to the American people that their lives are indeed affected by what happens in today's world. The fact is that an overwhelming majority of people in this country support providing needed humanitarian assistance and helping poor women and children better their lot in life throughout the world.

□ 1730

Secretary Albright, and I wish to associate myself with the remarks of our

distinguished chairman, the gentleman from Alabama [Mr. CALLAHAN], in his praise of our distinguished Secretary of State, Secretary Albright, has said that 1 percent of our budget may determine 50 percent of the history that is written about our era; and it will affect the lives of 100 percent of the American people. We have a challenge before us, and that is to convince the American people that, as I mentioned before, that their lives are affected by what happens inside our borders and that we can effectively respond to those needs. But their lives are also affected by what happens outside our borders.

We on a more practical note also have to demonstrate that the funds we do provide make a difference. I for one intend to respond to this challenge by speaking out and working for higher funding level than what is currently in this bill. With all due respect to my distinguished chairman, this is one area where we have disagreement and that is on the funding level.

The total funding level in this bill is simply too low to meet these challenges that I mentioned above. The total of \$12.3 billion is \$1 billion below the administration's request level of \$13.3 billion, if we are just counting what is appropriated in this bill. We have not provided enough to even meet our annual contribution level for the International Development Association, known as IDA, much less pay the over \$200 million in past due payments. These funds enable the World Bank lending to the poorest countries in the world. Underfunding of this account has led to the imposition of procurement restrictions against American companies, and this funding level means that these restrictions may continue to be in effect.

The bill provides little or no funding for the new Partnership for Freedom initiative for the new independent states. Indeed, there is funding in here for the Partnership for Peace but not for the new initiative. These new republics are making strides toward democracy and the establishment of free market economies, with our help and against overwhelming internal obstacles.

It is now time to refocus our aid programs, having learned what works and what does not. There should be absolutely no question that we need to remain engaged with an enlightened and robust aid program in these newly independent states and more funding is needed to accomplish this.

Again, I want to compliment my distinguished chairman, the gentleman from Alabama [Mr. CALLAHAN], because of some of the items in the bill that it does fund adequately. The bill contains funding for many vital programs such as the child survival account which is a special one for our chairman, development assistance programs, refugee assistance, export assistance, anti-terrorism, nonproliferation, demining and the Peace Corps, to name a few. Given

these funding levels and the cooperation shown by the gentleman from Alabama [Mr. CALLAHAN] and the leadership shown by the gentleman from Alabama [Mr. CALLAHAN] in putting this bill together, I would like to support the bill and fully intend to. As I said, I hope that the amendments on the floor do not do violence to our spirit and the peace that the gentleman from Alabama [Mr. CALLAHAN] has created around this bill.

The committee has acted responsibly in putting together a bill which reflects bipartisanship and compromise. While its funding level is too low in some areas, as I have previously stated, it has many aspects worthy of support.

In closing Mr. Chairman, I want to again quote President Kennedy. As I said earlier, many Americans are familiar with President Kennedy's inaugural address in which he said, "ask not what your country can do for you but what you can do for your country." But how many Americans know the line that follows, and that line is, "my fellow citizens of the world, ask not what America will do for you but what together we can do for the freedom of men."

President Kennedy laid down a challenge to the American people to act to improve their own country and to act to work with the peoples of other nations to work for freedom and alleviation of poverty. We must respond to this challenge by meeting our responsibilities in the spirit of humanity and generosity and in the national interest of our great country.

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

Mr. CALLAHAN. Mr. Chairman, I yield 5 minutes to the gentleman from Michigan [Mr. KNOLLENBERG], a member of the appropriations subcommittee.

Mr. KNOLLENBERG. Mr. Chairman, I rise in strong support of H.R. 2159, the 1998 appropriations bill for foreign operations. As a member of this subcommittee, I want to commend my friend, the chairman of the committee, the gentleman from Alabama [Mr. CALLAHAN], who has been, I think, outstanding in his ability to work with all sides. Shepherding this bill is no different than any other, of course, but it is difficult when it is an appropriations bill and he has done it, I think, with grace, with diligence and with impartiality.

I want to thank also the gentlewoman from California [Ms. PELOSI] for her work with the chairman and the committee. The entire subcommittee staff should also be thanked for all the work that they have done to bring about this bill. Each member of the subcommittee has worked in a bipartisan way to craft this bill so that it reflects the Nation's international priorities while maintaining a goal of fiscal responsibility and a balanced budget.

The bill again holds the line on foreign aid spending. At the same time, the bill maintains funding for our most

important foreign aid priorities. I want to especially thank the chairman for working with myself and others to include increased funding for the micro-enterprise program. This helpful program provides small loans to the poorest individuals of the less developed countries in an effort to create self-reliance. That program has been very successful.

I applaud the bill's continued commitment to the Middle East peace process. In addition to maintaining the funding levels at the same level for both Egypt and Israel, the bill requires now a detailed report of the progress toward compliance with the Oslo peace accords.

The bill contains our strong commitment to democracy building in Russia while addressing our concerns about Russian exports of nuclear and ballistic missile technology. With Russia and the United States already at odds over the Russian sale of nuclear reactors to Iran, Russia now plans to aid Cuba in revitalizing a dangerous Chernobyl style nuclear reactor just 90 miles off our coast. This must not be allowed to happen. This grave situation is addressed in the bill by stipulating that aid to Russia is contingent upon stopping the development of any nuclear program or ballistic missile capacity. We are sending a powerful signal to Russia that its interaction with dangerous rogue states like Iran is unacceptable.

Finally, I want to highlight the provisions of this bill that deal with the ongoing conflict in the Caucasus. Many people do not even know about the history of this small troubled region of the former Soviet Union. But this conflict will continue to have an impact upon America, on our interests because of the neighboring countries that surround that community.

I am glad and proud to have worked with the chairman and with members of this subcommittee to craft what I consider a productive, positive proposal that will facilitate peace in the region and reinforce the U.S. role as an unbiased mediator in the peace process. Whether you know it or not, each of us has a vested interest in the outcome of the Caucasus. U.S. interest can best be served through a swift and meaningful resolution to conflicts plaguing this troubled region.

This proposal also removes obstacles to the delivery of humanitarian relief to needy people throughout the Caucasus. It clarifies section 907 of the Freedom Support Act and allows democracy building and electoral reform activities in Azerbaijan. Section 907 should not preclude programs designed to create a more democratic Azerbaijan because democratic nations are inherently more peaceful.

The bill contains the \$95 million package of assistance to Armenia meeting the pressing humanitarian and development needs there and hopefully hasten its progress toward stability, peace and prosperity.

With our support we may finally see this region free of bloodshed and conflict and rich with prosperity and opportunity.

The subject of foreign aid often sparks heated debate on the floor. We all have strong opinions about of course how we feel about things and about a number of programs that are close to us. I asked my colleagues not to let these heated discussions keep us away from coming to closure to resolution on the business at hand which is to pass this bill, a fair bill. We need them to unite behind it.

I want to again thank the chairman, the gentleman from Alabama [Mr. CALLAHAN] for all of his work and his leadership in bringing the influence, his influence into this to bring about, I believe, a very, very outstanding bill.

I ask Members to support the bill and I want to in closing thank the chairman for yielding this time to me.

Ms. PELOSI. Mr. Chairman, I yield 1½ minutes to the gentleman from Virginia [Mr. MORAN], distinguished member of the Committee on Appropriations.

Mr. MORAN of Virginia. Mr. Chairman, first of all, I hope this bill passes because I doubt that there are any two Members of this body that are any more well liked and respected than the gentlewoman from California [Ms. PELOSI] and the gentleman from Alabama [Mr. CALLAHAN]. But I would like to enter into a colloquy with the chairman if I could.

Mr. Chairman, I want to thank you and the gentlewoman from California [Ms. PELOSI] and the members of the subcommittee for the attention and the funding that you have given to demining activities in this bill. I know that you and the gentlewoman from California [Ms. PELOSI] are well aware of the challenge that land mines pose to humanitarian development, refugee resettlement and rehabilitation throughout the developing world. Many of these efforts cannot even begin or must be suspended or terminated until the land mines are marked or removed. These areas, mine awareness, education and demining activities, must go hand in hand with humanitarian relief and development programs.

A number of our private voluntary organizations, nongovernmental organizations are trying to initiate and implement these sorts of antiland mine programs. However, we have learned that these demining funds have not been made available to them. It is my understanding that private voluntary organizations and nongovernmental organizations may apply for these demining funds and that these funds may be used for mine awareness and education programs, mapping and marking and the training of deminers as well as the removal of mines. Can the chairman confirm my interpretation?

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

Mr. MORAN of Virginia. I yield to the gentleman from Alabama.

Mr. CALLAHAN. Mr. Chairman, the gentleman is correct. It is the understanding of the committee that the nongovernmental agencies that you are talking about can apply for these funds for the activities the gentleman mentioned.

Mr. MORAN of Virginia. Mr. Chairman, I thank the gentleman very much for this confirmation and his strong leadership in this area. I thank my friend and the ranking member of the subcommittee, the gentlewoman from California [Ms. PELOSI], as well. I hope the bill passes.

Mr. CALLAHAN. Mr. Chairman, I yield 4 minutes to the gentleman from California [Mr. PACKARD], who is also a member of the appropriations subcommittee.

Mr. PACKARD. Mr. Chairman, I wanted to take a moment to compliment the chairman of this subcommittee and the ranking Democrat, the gentlewoman from California [Ms. PELOSI], for their very fine leadership in crafting this bill. I am proud to rise in support of the bill that has been brought to the floor today. I especially rise in the hopes that all the Members will recognize the strong leadership of the gentleman from Alabama [Mr. CALLAHAN] and also the gentlewoman from California [Ms. PELOSI] in crafting this financially prudent and yet socially and morally responsible bill.

As the gentleman from Alabama [Mr. CALLAHAN] likes to point out, there are not many people in his district in Alabama who even know much about foreign operations and fewer that would probably care about it. Yet he as chairman has taken the time to become extremely familiar with the issues and expert in management of the bill. And so I certainly want to compliment him.

There is no greater testament than the example set in creating, recreating, and increasing funding for the child survival account in this bill. The administration chose not to include this account in their budget submission and I cannot imagine them leaving this important area out of their budget submittal. This administration chose not to include an account which provides child survival and disease eradication throughout the world. What is worse, they chose not to include it. When they chose not to include it, they would have provided less money for it while increasing funding for Russia.

I am proud to say that the chairman and ranking member of the committee and members of the subcommittee not only corrected this situation but increased the funding for child survival and the basic functioning of our foreign operations funding.

I certainly recommend this bill to all Members of the House. I hope that it will pass. I hope that we will be able to keep unwanted and undesirable amendments from cluttering the bill. We would like to send this bill to the President in a form that he can sign.

I again want to compliment the leadership of this committee. It is a pleas-

ure for me to serve with them. I am very proud of this bill. I think that we have done a lot of good things. We have fenced some of the money, particularly to Russia, and also another one of our independent states where a serious problem with corruption takes place. We fenced the money with the requirement that they make improvements on corruption in these countries before the money would be able to be released.

□ 1745

Also, I was pleased to see us fence some of the money as it relates to going to Russia and tying it to religious freedom in Russia.

All in all, I am very proud of the bill, very proud to sign on to it and recommend its vote.

Ms. PELOSI. Mr. Chairman, I yield 4 minutes to the gentleman from Illinois [Mr. YATES], the distinguished gentleman who is the ranking member of the Interior Subcommittee; more importantly for this bill, he has been a Member of this House since the inception of the Marshall plan.

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

Mr. YATES. I thank the gentlewoman very much. She can always introduce me. I thank her very, very much for that very gracious introduction.

The gentlewoman from California is correct, when the Secretary of State testified before the Subcommittee on Foreign Operations, Export Financing and Related Programs of the Committee on Appropriations earlier this year, we spoke about foreign aid, and foreign aid stemming from the time of Thomas Jefferson. And although my tenure on the committee does not quite go back that far, I did begin my association at the time of Harry Truman.

At that time the Marshall plan had just been inaugurated. I was lucky enough as a freshman to become a member of the Marshall Plan Committee. And during the almost 50 years that I have served in this House, I have been on the subcommittee on foreign aid. I have seen a major transition in both the political situation in the world and how foreign assistance and export programs can address these changes.

I believe that the Committee on Appropriations has been at the forefront in initiating reform and guiding the new direction of foreign assistance following the ending of the cold war. This bill continues that tradition, because this bill is essentially the product of two of the ablest Members of the House, and I refer of course to the chairman and the ranking member, the gentleman from Alabama [Mr. CALLAHAN] and the gentlewoman from California [Ms. PELOSI].

I have worked with every chairman and every ranking member of this subcommittee for almost the last 50 years, and I would say that the two that have drafted this bill are essentially the

most able that I have witnessed in all that time. This bill does reflect the touch that they have given to us.

The ironic truth about foreign aid is that it is much cheaper than Americans think it is, and it does things that most Americans do not realize that it does do. Like defense, it helps preserve our national security. And as stated in USA Today, "This is no time to be penny-wise and pound-foolish." Our foreign assistance program helps finance the building blocks of a new international structure that is more peaceful and more stable than the one we left behind.

I can say that now after working on this committee for so many years. I have seen how it has helped rebuild Europe under the Marshall plan and I have seen how it has helped bring underdeveloped countries to a much more developed state. I believe this bill is a worthy one and I believe that it deserves our support. Certainly I look forward to supporting it as it goes through the House.

Mr. CALLAHAN. Mr. Chairman, I yield 5 minutes to the gentleman from Illinois [Mr. PORTER].

Mr. PORTER. Mr. Chairman, I rise today in strong support of the bill. I want to begin by commending my friend, the chairman of the subcommittee, the gentleman from Alabama [Mr. CALLAHAN], for the bipartisan and consensus promoting manner in which he has brought the bill to the floor of the House. I think he has reflected very well the concerns of the members of the subcommittee in crafting the bill and he has done just an outstanding job of bringing us together in support of it.

I would also like to say that we have had the wise counsel and support of the gentleman from Louisiana, Mr. BOB LIVINGSTON, and I appreciate especially his flexibility and thoughtfulness in dealing with me and with my colleague the gentleman from Michigan, Mr. Joe Knollenberg, who I have worked very closely with on the very difficult issues of the Caucasus and Turkey.

I also want to commend the gentlewoman from California [Ms. PELOSI] in her first year as ranking member of the subcommittee. She has done an excellent job of working to improve the lives of people around the world, and it is always a delight and a pleasure to work with her.

I believe, Mr. Chairman, that this is a good bill and one which all the Members of the body should support. I am pleased that we have been able to move forward in funding initiatives that reflect our commitment to the values of democracy, freedom, economic opportunity, the rule of law, and respect for human rights.

An example of this cooperation is involved with United States involvement and relations with Armenia, Azerbaijan, Nagorno-Karabakh, and Turkey. In the past, these issues have always been a stumbling block in this bill, which led to angry floor debate which allowed Members, including myself, to achieve perhaps moral victories

but may not have been the most productive manner to advance the ideals and goals we have for this region.

This year we have taken a different tack by attempting to work out a balanced and fair approach to the region before the bill reached the floor in an effort to avoid that ugly floor fight that neither advanced our cause nor inspired trust among the other countries in the region.

I am pleased with the committee's overall funding level for development assistance and their support for the United Nations' development program and the World Conservation Union.

My dedicated colleague and friend, JOE KNOLLENBERG, approached me earlier this year about bringing together a package of legislative and report language ideas which could address the concerns that many Members have about these issues. Joe and I, with the help of our chairmen, our staff, and the subcommittee staff, took a great step forward through cooperation and consensus and I am very proud of the work that we did on this bill. Joe, congratulations on your fine work on this bill and your leadership on this issue in general.

Many of my colleagues have asked me about the provisions in this regard and what they will mean for the United States' policy there. We have included in the bill an exception to section 907 which allows for the first time for democracy building assistance to go to Azerbaijan. President Aliyev of Azerbaijan is in town this week to meet with President Clinton and Members of Congress, and I hope that the members of the subcommittee were able to speak with him this afternoon about the provisions of the bill.

As in all the former Soviet republics, the development of democracy in Azerbaijan has been uneven. We are confident that by making it possible for the NED and similar institutions to begin working in Azerbaijan, we are taking an important step towards improving the lives of the average Azeri citizen.

Moreover, we have provided legislative direction for the State Department to give assistance to all needy persons in the Caucasus. This would include refugees in Azerbaijan, needy people in Nagorno-Karabakh and internally displaced persons in Georgia.

I am hopeful that this provision will remove the artificial barriers to assistance which our State Department has set up once and for all so that the people who desperately need our help can get it. Other than these important exceptions, however, we have left section 907 intact.

With regard to Turkey, Mr. Speaker, this bill showcases a new approach that we are cautiously optimistic about. One-half of the economic support funds for Turkey will be directed to projects run by NGO's, private voluntary organizations and others to promote democracy, encourage economic development of areas that have been affected by internal conflicts, and other purposes that we have been encouraging

the Turkish Government to undertake for years.

This new approach has taken a leap of faith by those of us with strong feelings on both sides of this issue. These have been difficult times for Turkey, and the dramatic shifts in the situation there have caused all of us to reexamine our approach to that important ally. Concerns about the future of democracy and the spread of Islamic fundamentalism have lead us to look for new ways to support Turkey on the path that is not only in Turkey's best interest but in our own as well.

It would be easy to come to the floor, as I have in the past, to talk about the serious problems that Turkey has, but these problems have not gone away and in many ways they have worsened in the past year. But I believe that if we want to truly help the Turkish people, we must bring about reforms from within the country and promote an atmosphere where democracy is secure enough to take bold steps, such as ending the armed conflict in the south-east. I believe that what we are doing in this bill will quietly and profoundly have that effect.

In addition to creating the climate in which we could make these steps forward on the caucasus, I want to thank the chairman for including funding and language concerning important initiatives in Burma, China, Northern Iraq, Tibet, Cyprus, and other areas which are of great concern to me. I wish that all Members could have the privilege of having such a cooperative Chairman.

While I am very proud of the efforts we have made in this bill and appreciative of Chairman CALLAHAN's work, I must again express my disappointment that this House continues to cut overall levels of foreign assistance. I believe that this is the era of American leadership, and we are squandering a golden opportunity to bring an ever-expanding circle of countries into our sphere of influence. I hope that we can begin to realize this opportunity and that the Republican Party, which for so long led the way in international affairs, can return to engagement in this vital area of our national policy.

The reduced appropriation for the multilateral financial institutions from the requested amount is of particular concern to me. These institutions have received significant reductions in past years, resulting in vast arrears. The administration has negotiated an agreement to pay off these arrears and I believe that the subcommittee should work to honor this agreement.

I am also concerned that the so-called Leahy provision, which is intended to keep U.S. counter-narcotics assistance out of the hands of human rights abusers, was stricken from the bill on a point of order due to the objection of my friend from New York, Mr. GILMAN, and my friend from Illinois, Mr. HASTERT. I hope that we can work together to deal with their concerns about the administration's implementation of this policy, and resolve this issue prior to the conference on the House and Senate bills.

I would also like to address an issue—the situation in Cambodia—that was brewing as we drafted the bill earlier this year but has exploded in violence and bloodshed in recent

weeks. In January, several of my colleagues and I visited Cambodia. We met with human rights activists and others who had so much hope for the future of Cambodia. These individuals had dedicated their lives to bringing a better life to the people of Cambodia, to cementing the gains of democracy and freedom in Cambodia, and to securing a stable society for their children. We also met with Prime Ministers Ranariddh and Hun Sen. The meeting with Mr. Hun Sen was ominous, looking back on it, for he did not have the same hopefulness as the people of his country. I am devastated by what has happened in Cambodia, and I support the effort by Congressman ROHRBACHER to mover our policy to take a strong stand against the lawless acts of Hun Sen and a strong stand with the people of Cambodia. I hope that Chairman CALLAHAN will also support this amendment when it comes to the floor.

Finally, I would like to take this opportunity to express my condolences to the families of those who lost their lives in the horrible terrorist attack in Israel today. I am outraged by this act of cowardice and I am angry at the failure of those who could have prevented this heinous act. I am hopeful that the House can be a force to end this pattern of hatred and violence, and I urge all parties to continue to move forward on the path to peace in spite of the actions of extremists.

Mr. Chairman, this bill, I think, is in excellent condition. Sure, there are places where I disagree with it, but I think the chairman has done an outstanding job of bringing both sides of the aisle together, people with divergent interests, and crafting a bill that we can all be proud of, and I urge the support of all Members.

Ms. PELOSI. Mr. Chairman, I yield 2 minutes to the gentleman from Indiana [Mr. VISCLOSKY], a member of the Committee on Appropriations.

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

Mr. VISCLOSKY. Mr. Chairman, I thank the gentlewoman for yielding me this time.

Mr. Chairman, I would like to commend the work of the chairman, the gentleman from Alabama [Mr. CALLAHAN], as well as the ranking member, the gentlewoman from California [Ms. PELOSI]. I recognize the committee faced a number of very difficult issues, and I believe that they have done the very best job possible.

While I support the general thrust of the bill, I am very concerned about the specific issue of the current United States relationship with several countries located in the Caucasus, specifically Turkey, Greece, and Armenia.

The committee has decided to provide assistance to all three countries and has conditioned some of the aid. This conditioned aid is a reasonable response by the United States to a difficult situation. However, I am concerned about the very unreasonable attitude Turkey has displayed with respect to the conditions that we are placing on our assistance.

I would like to remind the House that last year this Chamber cut economic support fund assistance to Turkey on two separate votes. This year, the gentleman from Florida [Mr. BILIRAKIS], others and I will not be offering an amendment to cut United States assistance to Turkey. That decision, at least for myself, is based only on the firm understanding that Turkey will act responsibly during the next 12 months.

Mr. Chairman, I want to make it clear that I do support the consensus policies on the Caucasus and Turkey developed by the committee. However, it is important for Turkey to understand that the assistance we are providing this year is not a blank check. The situation in Turkey must improve or next year I do not believe the House will be as accommodating as it has been this year.

Mr. CALLAHAN. Mr. Chairman, I yield 3 minutes to the gentleman from New Jersey [Mr. FRELINGHUYSEN] a member of the subcommittee.

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

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

Mr. Chairman, I rise in strong support of this bill. First, I want to thank our chairman, the gentleman from Alabama [Mr. CALLAHAN], and our ranking member, the gentlewoman from California [Ms. PELOSI], for their leadership of our subcommittee and our excellent staffs.

As the chairman has stated, the subcommittee has again done more with less, as have the agencies that carry out U.S. foreign policy objectives. For less than \$12.3 billion, slightly less than last year's bill, we continue to provide the essential tools to promote and protect America's leadership and interests around the globe.

With this bill we maintain our strong commitment to Israel and the Middle East peace process. We provide critical funding for child survival programs, and we continue America's longstanding support of development assistance for the poorest of the poor. We provide support for the new democracies of Eastern Europe and place increased emphasis on important priorities in our own hemisphere.

Further, we have provided resources to help American companies enter new markets, to provide global environmental resources, and to combat the threat of international narcotics and terrorism from reaching our shores. And these investments are made for less than 1 percent of the overall budget and within the framework of our balanced budget plan.

Despite this, most Americans remain skeptical about foreign aid. They either believe that we spend far more on it than we do in reality or they simply are not convinced of its value. I believe that it is imperative that we explain to the taxpayers the return on our investment in these programs.

Earlier this year I invited AID Administrator Atwood to my district to explain to my constituents the value of our investment in AID programs. He showed how a small New Jersey company in Morris Plains, with the help of AID, developed a product to keep polio vaccines safe for use around the world.

Success stories like that are a direct result of our foreign aid programs. This new product is helping our efforts to eradicate polio throughout the world and has created economic growth and opportunity in New Jersey.

Again, the amount for all these programs, from building democracy and feeding hungry children to fighting the war against drugs and opening new markets for America's goods and services, equals less than 1 percent of the budget.

Lastly and most importantly, Mr. Chairman, I believe now is an especially critical time for the President, President Clinton, to exercise his leadership in making a stronger case for this investment to the American people.

□ 1800

I urge my colleagues to support this bill and reject proposals for further reductions.

Ms. PELOSI. Mr. Chairman, I am pleased to yield 2 minutes to the gentlewoman from New York [Mrs. LOWEY], a member of the subcommittee.

(Mrs. LOWEY asked and was given permission to revise and extend her remarks.)

Mrs. LOWEY. Mr. Chairman, I rise in support of H.R. 2159.

I want to thank our distinguished chairman, the gentleman from Alabama [Mr. CALLAHAN], and the gentlewoman from California [Ms. PELOSI], our outstanding ranking member, who have worked so very hard in a bipartisan way to report out a bill that strikes a delicate balance on a number of very difficult issues.

Mr. Chairman, this bill is far from perfect. The overall funding in the bill is substantially lower than what I would have liked, and several specific accounts are also too low. But this bill does represent a very serious bipartisan compromise. And again, I want to thank the chairman and our ranking member.

The bill also includes the full \$3 billion in aid package for Israel and the critical \$80 million for refugee resettlement assistance. With the tragic bombings today in Jerusalem, we have seen once again how very important it is for the United States to express its strong support for Israel and the Israeli people.

Although the development assistance account is lower than the administration requested, an issue I would like to see corrected in conference, it does include a critical \$10 million increase for international microcredit programs, which I think are absolutely critical to help raise the level of prosperity around the world.

Mr. Chairman, I remain concerned about the item in the bill for International Development Association, which is unacceptably low. The \$600 million included in the bill is only slightly more than half of what the administration has requested for IDA, and I would call on the chairman to work with me and my colleagues to increase this amount in conference, as well.

Mr. Chairman, the bill does have some compromises which we worked very hard to support. The bill preserves current law, prohibiting the U.S. funds for the performance of abortions or to lobby for or against abortion. It also prohibits the funds from being used to support any biomedical research that relates to the performance of abortions.

Mr. Chairman, I offer my very strong support for this bipartisan bill.

In the past, we have spent many hours debating amendment after amendment on the floor regarding Greece, Turkey, and the Caucasus region. This year, we have reported out a bill that addresses most of our concerns in this area. Now there are some provisions I would have written differently, and I'm sure some of my colleagues feel the same way, but what is in the bill represents a good balance on this issue. And I want to thank the chairman and Ms. PELOSI, and also Mr. KNOLLENBERG and Mr. PORTER for all of their hard work on this issue. Microcredit is a critical tool in the fight to eradicate poverty worldwide and enjoys wide bipartisan support in the Congress and the administration.

Providing these small, low interest loans to the millions of low-income entrepreneurs around the world would be a major step toward the eradication of poverty. This is especially true among women, who are very often the heads of households, and benefit tremendously from microcredit programs. This is a critical time for microcredit. We have come a long way this year alone, but we must do more. The increase for microcredit in this bill will allow us to help thousands of people pull themselves out of poverty.

IDA makes critical investments in the development of the world's poorest countries. It provides assistance in health care, education, and other areas of human capital, creating the climate needed for sustainable growth and helping to turn these nations from aid recipients to trading partners.

This bill also strikes a balance in the area of international family planning assistance, one of the most important forms of aid that we provide to other countries. No one can deny that the need for family planning services in developing countries is urgent and the aid we provide is both valuable and worthwhile.

Nearly 600,000 women die each year of causes related to pregnancy and childbirth—most live in developing countries.

Each year, 250,000 women die from unsafe abortions. Most of these disabilities and deaths could be prevented.

Only 20 to 35 percent of women in Africa and Asia receive prenatal care.

Five hundred million married women want contraceptives but cannot obtain them.

This bill preserves current law prohibiting the use of U.S. funds for the performance of abortions or to lobby for or against abortion. It

also prohibits the funds from being used to support any biomedical research that relates to the performance of abortions as a method of family planning.

These restrictions represent a compromise in this area and I hope that we will pass this bill without upsetting this compromise. Unfortunately, some of my colleagues see this matter differently and are planning to offer an amendment that, if passed, could hold the entire foreign aid bill hostage for the third year in a row. I strongly urge my colleagues to oppose these efforts to disrupt our bipartisan compromise.

Mr. Chairman, as I have stated, I do have some very serious reservations about specific provisions in this bill. But on the whole, it represents a good compromise between Chairman CALLAHAN, Ranking Member PELOSI, and all of the members of the subcommittee. I urge passage of this bill.

Ms. PELOSI. Mr. Chairman, I am pleased to yield 2 minutes to my colleague, the gentleman from California [Mr. TORRES], a distinguished member of the subcommittee.

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

Mr. TORRES. Mr. Chairman, I thank the chairman, and I thank my ranking member for that kind introduction.

I rise, of course, to commend both the gentleman from Alabama [Mr. CALLAHAN], the chairman, and the gentleman from California [Ms. PELOSI], the ranking member, for their diligent work in crafting this year's foreign assistance package. I also want to commend the majority and minority staff for their tireless efforts to produce this very fine bill.

However, I must note that the bill falls short in certain areas. While I respectfully acknowledge the willingness of the gentleman from Alabama [Mr. CALLAHAN] to work with me and members of the subcommittee in addressing concerns that we all have about the School of the Americas, I am not convinced that we should continue to spend one more dime on this facility.

And that is why I intend to offer an amendment, together with my colleagues, the gentleman from Illinois [Mr. YATES] and the gentleman from Pennsylvania [Mr. FOGLIETTA], to prohibit any of the bill's funds from being used at the school.

I am also deeply troubled that there may be a move to strike from the bill a critical counternarcotics assistance accountability provision, specifically referred to as the Leahy amendment. This provision, which I supported in last year's bill, prohibits U.S. counternarcotics aid from going to human rights violators in certain foreign countries. It prevents U.S. aid from going to specific military units where there is credible evidence they have been involved in violations.

The Colombian armed forces and their paramilitary allies are implicated in hundreds of murders a year. Colombian military units responsible for some of the worst human rights atrocities in recent years were also those that received U.S. assistance. We

should be doing everything possible to ensure that U.S. aid is used for counternarcotics efforts and not for murdering civilians.

The human right provisions is the very minimum standard we should utilize before releasing millions of dollars in military aid to combat narco-trafficking. Rather than striking it from the bill, I believe we should be expanding the provision to include all forms of counternarcotics assistance. Regrettably, the rule does not permit this important provision from a point of order.

Mr. Chairman, I rise today in support of H.R. 2159, the fiscal year 1998 Foreign Operations appropriations bill as reported out of the full committee. I want to commend Chairman CALLAHAN and the distinguished ranking member, Ms. PELOSI, for their diligent work in crafting this year's foreign assistance package. I also want to commend both the majority and minority staff for their tireless efforts to produce this bill.

However, I must vote that the bill falls short in several areas. While I respectfully acknowledge Chairman CALLAHAN's willingness to work with me and others on the subcommittee in addressing concerns we all have about the U.S. Army School of the Americas, I am not convinced that we should continue to spend one more dime on this facility. That is why I intend to offer an amendment, together with my colleagues Mr. YATES and Mr. FOGLIETTA, to prohibit any of the bill's funds from being used at the school.

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It prevents U.S. aid from going to specific military units where there is credible evidence they've been involved in violations. The Colombian Armed Forces and their paramilitary allies are implicated in hundreds of murders a year. Colombian military units responsible for some of the worst human rights atrocities in recent years were also those that received U.S. assistance.

We should be doing everything possible to ensure that U.S. aid is used for counternarcotics efforts and not for murdering civilians. The human rights provision is the very minimum standard we should utilize before releasing millions of dollars in military aid to combat narco trafficking. Rather than striking it from the bill, I believe we should be expanding the provision to include all forms of counternarcotics assistance. Regrettably, the rule does not protect this important provision from a point of order.

I am, however, pleased that this bill provides full funding for the fund for special operations, the concessional lending arm of the Inter-American Development Bank. The FSO extends loans to the poorest countries in Latin America and the Caribbean for programs designed to alleviate poverty. FSO programs benefit those most in need, especially women and children and microentrepreneurs who have little access to credit through regular financial sources.

The U.S. contribution to the Fund for Special Operations is an effective investment in

the development of our poorest neighbors in the Western Hemisphere. The fully funded level of \$20.83 million for the FSO is critical in leveraging funds from other donor nations around the world and I am pleased that this bill provides the administration's request.

I am also pleased that the bill directs an increase of \$20 million for programs in the Latin America and Caribbean region. U.S. assistance to Latin America has been scaled back dramatically in recent years. Despite bill and report language in last year's bill, aid to Latin America has continued to be slighted. The relatively modest sums directed toward sustainable development in Latin America are a worthwhile long-term investment in the economic and political stability of our closest neighbors.

Further, the United States has made certain commitments to the region, such as contributions to consolidating peace in Central American nations, which should be honored.

I also want to note that the bill provides the fourth and final tranche to complete the capitalization of the North American Development Bank, or NADBANK. This funding is critical for the Bank to realize its potential to clean up the border region and address the domestic needs of displaced workers and businesses.

Again, my thanks to Chairman CALLAHAN for his cooperation in working with all members of this subcommittee to craft this bill in a bipartisan manner.

Ms. PELOSI. Mr. Chairman, I am pleased to yield 2½ minutes to the distinguished gentleman from New Jersey [Mr. PALLONE].

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

Mr. PALLONE. Mr. Chairman, I rise in support of the foreign operations appropriations bill. The bill makes a significant effort to realize the balanced policy in the Caucasus region. And I am urging my colleagues in the bipartisan Armenian caucus to support the consensus position on the Caucasus, which was so painstakingly worked out by the subcommittee members.

I urge those who will participate in the House-Senate conference to do everything possible to retain the House position in conference. The House bill maintains the economic sanctions on Azerbaijan which were enacted into law under section 907 of the Freedom Support Act in response to that country's continuing blockade to Armenia and Nagorno Karabagh. Unlike the Senate bill, the House bill does not allow for funds to go to Azerbaijan from the Export-Import Bank, the Overseas Private Investment Corporation, or the Trade and Development Agency. The House bill maintains the integrity of section 907, while the exceptions in the Senate bill render the prohibition on aid to Azerbaijan virtually meaningless.

One of the truly honorable provisions in this bill is the language making funds available for humanitarian assistance through nongovernmental organizations in conflict zones throughout the Transcaucasus, including Nagorno Karabagh.

And finally, the bill provides a \$95 million soft earmark for Armenia. Given the challenges facing Armenia, with blockades imposed by neighbors on their east and west, and in light of the strides that Armenia is making in terms of establishing democracy and a market economy, I believe this earmark is fully justified.

Mr. Chairman, I would also like to stress our policy with regard to India. I believe we should remain consistent with the longstanding American goal of promoting greater cooperation with countries like India that promote democracy, free markets, and stability.

I understand that we will be asked to consider an amendment to cut development aid to India. I urge Members not to support this unjustified proposal. Last year, India held nationwide elections in which more than 400 million people voted for free and fair elections. And this year, in the Indian state of Punjab, some 60 percent of the voters turned out for free elections, which resulted in the election of a Sikh dominated government. India has taken concrete steps to address human rights issues with the establishment of a national human rights commission that has won international praise for its independence and effectiveness.

Finally, Mr. Chairman, I am extremely concerned about a provision in the Senate foreign ops bill which would relax current United States sanctions on Pakistan. Under the Glenn-Symington provision, certain key United States trade and export promotion programs have been withheld from Pakistan in the past because of Pakistani involvement in nuclear proliferation. In recent years, Pakistan has moved forward with an aggressive program of acquiring nuclear technology and weapons.

I urge the Members not to recede to the Senate on this ill-advised provision in conference.

Ms. PELOSI. Mr. Chairman, I am pleased to yield 2 minutes to the gentleman from Maryland [Mr. HOYER], a distinguished member of the Committee on Appropriations.

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

Mr. Speaker, U.N.- and NATO-led forces were involved in the recent apprehension of two individuals and the killing of a third who had been indicted by the International War Crimes Tribunal. The recent arrests and the tribunal's sentencing of Dusan Tadic to 20 years in prison for his part in the torture and murder of innocent civilians are a major step forward.

Yet the fact remains that, while the war crimes tribunal has publicly indicted 76 people to date, 66 indicted suspects remain at large, despite the fact that the tribunal has been issued international indictments, despite the fact that the Dayton accords requires the parties to that agreement to surrender those who are within their effective jurisdiction, and despite the fact

the U.S. Security Council Resolution 827 requires all states to cooperate in this effort.

This must stop, Mr. Speaker. If countries do not live up to their international obligations and cooperate with the tribunal, we should not cooperate with them. I am pleased that the legislation before us provides for sanction against those countries which harbor war criminals. The bill permits the President to withhold foreign assistance from these states and instructs the Secretary of the Treasury to oppose assistance from the international financial institutions.

I would have preferred frankly an outright ban on such aid but am pleased that we are moving in the right direction. I want to thank the gentleman from Alabama [Mr. CALLAHAN] and the gentlewoman from California [Ms. PELOSI] for their support and leadership in this effort.

I am pleased this committee has recommended a \$3 million voluntary contribution to the war crimes tribunal to assist in its challenging work. In closing, Mr. Speaker, let me just say that I would have preferred that we had done more to assist the emerging democracy in Russia and other CIS states. I understand the constraints that the committee was under. And I am rising in support of this bill and looking forward to their success in conference.

Mr. CALLAHAN. Mr. Chairman, I yield 2 minutes to the gentleman from Florida [Mr. GOSS], member of the Committee on Rules.

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

Mr. GOSS. Mr. Chairman, I thank the distinguished chairman for yielding me the time. I point out that less than 1 percent of the Federal budget we are talking about here, foreign aid spending, is not the problem when it comes to our budget ills. But it is clear that everything is on the table when we talk about the budget.

The reason I am supporting this bill is not budgetary, however. It is because this bill was crafted by making difficult choices, shifting limited resources and reflecting new priorities. And I congratulate both the chairman and ranking member for that. Also of course it keeps spending down, and Chairman Callahan has done a fabulous job at that.

In fact, Chairman Callahan has delivered a bill that comes in, I understand, at \$4.6 billion below the President's request and below the spending allocation. That is a pretty good trick in these tight budgetary times.

But the important point is the committee has prioritized spending to fund child survival programs and to fund efforts in nonproliferation, antiterrorism, and counternarcotics. As chairman of the House Permanent Select Committee on Intelligence, that is a very important area for me. And it is an area of critical concern involving

both the security and the quality of life for Americans at home and abroad.

And I think it is very important that this bill focuses on that. And I am pleased it does, and that is one of the reasons I strongly support it.

But as a southwest Floridian, I am pleased that this bill will choke off some of the international assistance that might be funneled to Fidel Castro to complete dangerous nuclear reactors at Juragua. The foreign operations bill also includes \$72 million in funding for operations in Haiti. But the gentleman from Alabama [Mr. CALLAHAN] has wisely conditioned that aid on progress on economic reforms and investigations into political killings since President Preval's election.

Although I would have preferred language that included all the killings since the troops returned President Aristide, I am nevertheless pleased to see that we have some specific markers set out on accountability in this area.

To date, and to the best of our ability to get an accounting from the Clinton team, we know that more than \$3 billion has been spent for Haiti and we see little evidence for that \$3 billion of good governance or any other progress we were hoping for in that nation. I urge support for this legislation.

Ms. PELOSI. Mr. Chairman, I am pleased to yield 1 minute to the gentlewoman from California [Ms. WOOLSEY].

Ms. WOOLSEY. Mr. Chairman, I rise in strong support of the bipartisan consensus that the committee has reached in this bill on the troubled Caucasus region in Armenia.

Since Azerbaijan began its blockade of Armenia 5 years ago, the citizens of Armenia have suffered from lack of shelter, lack of heat, lack of food and lack of crucial medicine. In fact, the world food bank has described Armenia as a pre-famine state. Even worse, Mr. Chairman, the Armenians in Nagorno Karabagh have been blockaded by Azerbaijan for 8 years.

That is why we must maintain economic sanctions against them. That is why economic sanctions will send a clear and straightforward message to the perpetrators of this cruel and senseless blockade. It is a message that their actions will no longer be tolerated.

Mr. Chairman, I urge my colleagues to join me in congratulating the committee on a job well done and in supporting this important consensus.

Ms. PELOSI. Mr. Chairman, I yield such time as he may consume to the gentleman from Texas [Mr. BENTSEN].

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

Mr. BENTSEN. Mr. Chairman, I rise in support of the bill.

Mr. Chairman, I rise to support the fiscal year 1998 foreign operations appropriations bill.

Especially at this critical juncture of the peace process, and in light of today's tragic bombing in Jerusalem, the United States must continue to support Israel and help assure its

security as it takes the very difficult steps needed to secure peace. Any cuts in foreign aid to Israel now could damage Israel's security, its negotiating posture, and the peace process, as well as other United States interests in the region. As one of the United States' strongest allies and the only true democracy in the Middle East, Israel is certainly deserving of this support.

I want to emphasize that this measure is in the United States' strategic and economic best interest. Israel is the most reliable ally of the United States in the Middle East and continued foreign aid funding will maintain a solid partnership with the United States. Because of the depth of the United States-Israel relationship and the permanence of Israel's democracy, the United States knows we can depend on Israel in a crisis. By its continued support of Israel, the United States honors a historic commitment to a fellow democracy with which we share unique security, economic, and cultural ties.

I am especially pleased by the growing relationship between Israel and my State of Texas. Texas and Israel are substantial trading partners, sharing economic interests in telecommunications, medical technology, hightech computers, and agriculture. In 1996, Texas exports to Israel totaled nearly \$580 million in goods and services, which represented an 89 percent increase since 1995. With regard to medical technology, Israel and Texas have established many joint research programs. For example, the Texas-Israel Telemedicine Exchange has brought together the Texas Children's Hospital in Houston and the Rabin Medical Center in Petach Tikvah in developing a telemedicine framework for Israel's hospitals and health care clinics. As this partnership continues to develop, new business opportunities will make the economies of Texas and Israel stronger and more competitive in the 21st century.

The United States has a strong national interest in bringing peace, stability, and economic growth to one of the most strategic and potentially destabilizing regions of the world. The United States can best achieve these goals by continuing its commitment to ensuring Israel's security. I urge my colleagues to continue a proud tradition of support for Israel and to recognize that our Nation's national interests will be reinforced by voting for this appropriation.

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Mr. CALLAHAN. Mr. Chairman, I yield 1 minute to the gentleman from Delaware [Mr. CASTLE].

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

Mr. CASTLE. I thank the distinguished gentleman for yielding me this time.

Mr. Chairman, I am the chairman of a subcommittee on the Committee on Banking and Financial Services called the Subcommittee on Domestic and International Monetary Policy. We deal with the Eximbank as well as the international financial institutions.

My 1 minute will not allow me to go into all the different aspects of this, but we are very supportive of this legislation. We are also very supportive of the concept that the United States of

America needs to continue to be involved with some of these organizations, including the World Bank, the International Development Association and some of the various development funds which are out there.

We think that the International Development Association has become a symbol of the willingness of the United States to meet its international obligations. We will not be able to effectively advance our reform agenda unless we stay fully involved and keep our payments up to date, which we are attempting to do at this point and which this legislation indeed attempts to do.

These are difficult choices. Few Members really wish to in some instances subsidize export promotion or be involved in some of these supports overseas with respect to these areas, but as we go more and more into international trading and an international economy, I feel they are necessary.

I hope that all Members would take the time at some point to more fully understand what we are doing. It is relatively limited compared to most countries that offer the same level of support. But for today, I believe the foreign operations appropriations bill is doing just the right thing.

Mr. Chairman, I rise to comment on the provisions of this bill regarding the international financial institutions [IFI's] and the Export-Import Bank of the United States [Eximbank]. Both the IFI's and Eximbank are within the authorizing jurisdiction of the Subcommittee on Domestic and International Monetary Policy, which I chair.

For fiscal year 1998, the administration requested the support of the Banking Committee for authorization of U.S. contributions to the 11th replenishment of the International Development Association [IDA]; the 7th replenishment of the All Development Fund [ADF]; the European Bank for Reconstruction and Development [EBRD]; the Inter-American Development Bank [IDB]; the Enhanced Structural Adjustment Facility of the International Monetary Fund [IMF]; and the New Arrangements to Borrow [NAB], a new multilateral line of credit available to the IMF in the event of a serious threat to the international financial system. In addition, the committee has been requested to reauthorize the Export-Import Bank of the United States for 4 additional years.

Specifically, with respect to the international financial institutions, the administration requested authorization of appropriations in the amount of \$1.6 billion over 2 years for U.S. contributions to IDA-11; \$400 million over 4 years for the U.S. contribution to ADF-7; \$285 million over 8 years for the U.S. contribution to the second general capital increase of the EBRD; \$76.8 million over 3 years for a scheduled capital subscription to the IDB; \$75 million over 10 years for the interest subsidy account of the ESAF facility of the IMP; and approximately \$3.4 billion (as valued in special drawing rights) for U.S. participation in the NAB.

On May 8, 1997, the Subcommittee on Domestic and International Monetary Policy considered and favorably reported by voice vote to the full Banking Committee H.R. 1488, the International Financial Institution Reform and Authorization Act of 1997. That bill fully au-

thorizes over 2 years the U.S. contribution to the 11th replenishment of IDA, the World Bank facility that provides concessional lending to the world's poorest developing countries. The subcommittee intends to work closely with the Treasury and other interested parties to ensure that the World Bank remains on the reform path and that U.S. taxpayer resources are used effectively. This commitment to ongoing reform is reflected in the policy provisions of H.R. 1488.

But the subcommittee also recognized that IDA has become a symbol of the willingness of the United States to meet its international obligations. I believe the United States cannot effectively advance reform or our policy priorities if we remain in arrears to IDA and other multilateral lending institutions. In this regard, I would strongly support efforts to address past due payments to the international financial institutions in a manner consistent both with the overall request, and the assumption of a cap adjustment for exchanges of monetary assets and for international organization arrears as provided for in the budget resolution. Let's get these arrears behind us to ensure that America can effectively lead these institutions in a way that advances our national interests.

The regional development banks were all authorized at the fiscal year 1998 appropriations request level, not because of a lack of subcommittee support, but in recognition of existing fiscal constraints. The ESAF was also authorized at the fiscal year 1998 level, although future subcommittee support for the ESAF will depend on the results on an ongoing external review of this facility. The subcommittee also authorized U.S. participation in the NAB. As you know, U.S. participation in the NAB entails no scoring of budgetary outlays.

On May 8, 1997, the Subcommittee on Domestic and International Monetary Policy also considered and favorably reported by voice vote to the full Banking Committee H.R. 1370, a bill to reauthorize the U.S. Export-Import Bank through September 30, 2001. That bill was passed by voice vote, as amended, by the full Banking Committee on July 9 of this year.

These international issues present Congress with difficult choices. Few Members wish to subsidize export promotion, but the heavy hand of our foreign competitors in trade finance makes continued U.S. support for Eximbank imperative. Likewise, many observers can point to specific failings by the international financial institutions, and the bipartisan agreement on the need for reform suggests that a good deal of the criticism of the IFI's has been at least partially valid. Yet there is also strong bipartisan agreement that the IFI's continue to make an important contribution to economic development and to the stability of the international financial system. On balance, they were serve U.S. international economic as well as foreign policy interests. I would urge my colleagues to give them their support.

Mr. CALLAHAN. Mr. Chairman, I yield 30 seconds to the gentleman from Arizona [Mr. PASTOR].

Mr. PASTOR. Mr. Chairman, I thank the gentleman for yielding me this time. I would like to engage the gentleman from Alabama in a brief colloquy regarding the sustainable desert

development program for combating desertification, a program which I support. Am I correct to understand that the committee's intent is that the \$5 million made available under this bill is to be administered by the Agency for International Development on a competitive peer-reviewed basis?

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

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

Mr. CALLAHAN. The gentleman from Arizona is correct.

Mr. PASTOR. Mr. Chairman, I thank the gentleman for his time and assistance in this matter.

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

Mr. TRAFICANT. Mr. Chairman, I will take more time when I strike the last word on an OPIC amendment.

A company from my district agreed to be a model investment company in Gaza under OPIC, and they experienced a number of unethical and downright illegal activities that must be brought before the Congress. The company is Bucheit International and, among other things, they allowed a private individual over there to cancel checks, to put up as collateral their account for a private loan. I have never seen such a type of banking irregularities ever.

This was the only company to make an investment of \$4.4 million in Gaza which caused them to default on a \$2 million loan. Under the 5-minute rule I am going to explain it more fully, but I am hoping we do not conclude business today and that I could put some language in here that will protect American companies that are being ripped off. We cannot have the PLO, who sponsors terrorism, also ripping off American companies.

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

In closing, I want to commend our distinguished chairman for his tremendous leadership in crafting this legislation and bringing such a strong bipartisan bill to the floor. I think the strength of our bill today and the consensus that he built will go a long way to taking us to passage and to conference, where some of the fights will be tougher ones and where we will have the battle over priorities and how much money is the appropriate figure to have in this legislation.

I want to once again thank the majority and the minority staff and, very important, the distinguished members of the subcommittee, both Republican and Democratic members of the committee for the cooperation they gave to our chairman and to me as ranking member.

I believe that this bill is a very important one to the Congress and to our country. Because of the resources that we are appropriating here today, the Clinton administration will be able to promote democratic freedoms, stop proliferation of weapons of mass destruction, promote U.S. exports

through the export finance provisions of this legislation, and indeed work for our national security by promoting peace throughout the world.

I come from a different kind of district than the district of the gentleman from Alabama [Mr. CALLAHAN]. I am sympathetic to him in terms of having to sell foreign assistance back home. I come from a very globally oriented district that places a very high value on the leadership role that the United States plays in the world, and I think that the commitment that we make here today and hopefully an expanded one that we will come out of the conference with is one that does promote the values of our country. I urge my colleagues to support the legislation the gentleman from Alabama [Mr. CALLAHAN] has brought to the floor today.

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

In closing let me reemphasize that this once again cuts last year's appropriation level. It is \$4.6 billion below the President's request and it is \$233 million under our 602(b) allocation.

Once again, this is a vote on final passage of this bill to cut foreign aid.

Mr. POMEROY. Mr. Chairman, I want to express my appreciation to the House Appropriations Committee for its support of overseas programs by U.S. cooperatives and credit unions. I have supported the work of cooperatives and credit unions in my state. These people-to-people assistance programs are the types of foreign aid that the American people fully support.

In its report (105-176), the Committee stated that:

The Committee continues to support development efforts carried out by United States cooperatives and credit unions. These programs promote free markets, create business linkages with the United States, export American technology, and build local economies, and help create a friendly climate for new and expanding United States markets. They enable people to achieve dignity and lasting economic benefits through member-owned businesses.

Overseas cooperative development is a unique type of self-help assistance, carried out in America's tradition of humanitarian assistance and in America's national interest. Critical support for these efforts comes from the U.S. Agency for International Development.

Cooperatives provide private sector approach to international development that combines a humanitarian concern with a business discipline. Cooperatives give people a stake in the system by bringing them into the marketplace. They introduce democratic business practices in many countries with little experience in democracy.

In the U.S., they have enhanced and promoted the economic well-being of farmers and spread the benefits of free markets through credit unions and community-based businesses. Cooperatives have used their domestic experiences to share their business know-how abroad. In turn, these overseas programs directly benefit America by enhancing stability in developing countries, building long-term business partners and increasing international sales and investments by U.S. businesses.

The following are a few examples of overseas U.S. cooperative development efforts:

In El Salvador, illegal immigration is slowed as cooperatives develop two-way trade in non-traditional and non-competitive products. In Bolivia, United States agricultural and electric cooperatives support alternative crops to coca production, and thus are combating illegal drug trafficking.

In Africa, cooperatives and credit unions are carrying out micro-enterprise programs that reverse the flow of capital and bring it back to rural communities. In Indonesia, cooperatives are helping micro-entrepreneurs in the production of specialty export crops, integrated livestock and fishery production and rural enterprise development including joint ventures with United States companies.

In Romania, United States housing and other cooperatives are playing a crucial role in strengthening civil society to address decaying social problems by providing training and technical assistance in management, accounting, fundraising, marketing and financial analysis to new and struggling non-governmental organizations.

In Georgia, United States agricultural cooperatives have built a network of growers with a seed production cooperative and are building a supply association for inputs to private farmers. The new cooperative is a private sector alternative to the defunct government wheat seed and multiplication and supply system.

Through programs like these, cooperatives provide hope for economic prosperity through grassroots businesses that provide jobs, income, basic education and democratic experience. By providing private sector to private sector assistance, rather than government to government assistance, U.S. cooperatives are better able to link American communities and cooperative businesses with overseas partners that, in turn, serve U.S. economic interests.

Mrs. KENNELLY of Connecticut. Mr. Chairman, I rise in support of the fiscal year 1998 foreign operations appropriations bill and wish to express my strong support for a provision in the bill which would permit \$95 million in aid to promote important economic reforms in Armenia.

Armenia, can play an pivotal role in American foreign policy in the Caucasus region with our continued support. Current economic and political reforms taking place offer important opportunities for the emergence of a strong pro-western government that can compete on the world market, and open trade opportunities for the United States.

Continued economic support combined with an expanded U.S. role in the Caucasus region as co-Chair of the Organization for Security and Cooperation in Europe, Minsk Group, will be critical to breaking the current impasse between Armenia and Azerbaijan over Nagorno-Karabagh. Further, a lifting of the blockade of Armenia by its neighbors in conjunction with a peaceful settlement to the Nagorno-Karabagh issue will only lead to greater stability and growth in the region. I urge the Administration to remain diligent on these important issues and applaud the committees decision to earmark foreign assistance to Armenia.

Mr. KOLBE. Mr. Chairman, I have been a longtime advocate of funding for research in the field of sustainable development of arid lands in order to fight desertification, and I applaud the committee's decision to recommend greater resources be made available for this

important work. Significant work has been accomplished in this field by the University of Arizona and its cooperating partners in the International Arid Lands Consortium. It is vital, however, that the funds for Middle East Desertification activity be administered by AID in a competitive, peer-reviewed program that will encourage the best scientists, researchers, and land managers in this important field to seek solutions to the complicated problems associated with desertification.

Resources for important research have become all too scarce, and I know my colleagues on both sides of the aisle agree that we must ensure that those funds we do make available are expended in a fashion that will produce tangible results and inspire taxpayer confidence. Peer-review is vital to assessing the quality of the science produced by federal funding, and increasing the number of disciplines involved in arid lands sciences will help bring about a greater utilization of sustainable arid land management techniques.

It is for these reasons I ask that Congress require any program that results from this funding for the Middle East Desertification activities be administered through a peer-reviewed, competitive process.

Mr. UNDERWOOD. Mr. Chairman, I am pleased to note that there are several provisions in the FY 1998 Foreign Appropriations bill aimed at curbing human rights violations and promoting democratic ideals. A number of countries affected by these stipulations are Guam's neighbors in the Asia-Pacific region. Not only are we in close proximity to nations such as South Korea and China, the people of Guam also enjoy social and cultural links with them.

I stress the importance of promoting democracy and human rights in Asia, and I am confident that certain aspects of this bill will contribute towards greater acceptance of self-determination and individual liberties. For example, the Committee's recommendation that the State Department select a special envoy to facilitate the peaceful resolution of the East Timor dilemma should United Nations efforts fail is a clear signal of American commitment to the plight of the East Timorese. I had the pleasure of meeting Bishop Carlos Ximenes Belo, a co-recipient of the Nobel Prize for his work in East Timor, and was amazed by his dedication to provide the East Timorese with an international voice. We must continue our support for leaders such as Bishop Belo in their peaceful quest for basic human rights.

I am also pleased that an arrangement is provided for an East-Asian Pacific democracy fund, as proposed in the President's budget request, which would promote democracy and democratic institutions in China. Although the details of this fund have yet to be finalized by the State Department and approved by Congress, it is yet another pledge to protect democracy. As we cautiously observe China's management of Hong Kong, we must continue to constructively engage China economically and politically. Through economic relations, diplomatic maneuverings and democratic influences, it will not be long before China and its territories enjoy the same freedoms we experience every day.

The United States is a major player in the global area, and the provisions we debate in Congress tonight command international attention. Democracy and human rights do not stem merely from a nation's automatic self-

awareness. Sometimes we must prod and remind others and ourselves that democratic principles and respect for individual liberties are necessary components of a strong, stable nation.

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 fiscal year 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.

The CHAIRMAN. All time for general debate has expired.

Pursuant to the order of the House of Thursday, July 24, 1997, the bill shall be considered for amendment under the 5-minute rule.

Amendments printed in House Report 105-184 may be offered only by a Member designated in the report or the order of the House and only at the appropriate point in the reading of the bill, are considered as having been read, are debatable for the time specified in the report or the order of the House, equally divided and controlled by the proponent and an opponent, are not subject to amendment except as specified in the report, and are not subject to a demand for division of the question.

No other amendment shall be in order unless printed in the CONGRESSIONAL RECORD.

The Chairman of the Committee of the Whole may postpone a request for a recorded vote on any amendment and may reduce to a minimum of 5 minutes the time for voting on any postponed question that immediately follows another vote, provided that the time for voting on the first question shall be a minimum of 15 minutes.

The Clerk will read.

The Clerk read as follows:

H.R. 2159

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the following sums

are appropriated, out of any money in the Treasury not otherwise appropriated, for the fiscal year ending September 30, 1998, and for other purposes, namely:

TITLE I—EXPORT AND INVESTMENT ASSISTANCE

EXPORT-IMPORT BANK OF THE UNITED STATES

The Export-Import Bank of the United States is authorized to make such expenditures within the limits of funds and borrowing authority available to such corporation, and in accordance with law, and to make such contracts and commitments without regard to fiscal year limitations, as provided by section 104 of the Government Corporation Control Act, as may be necessary in carrying out the program for the current fiscal year for such corporation: *Provided*, That none of the funds available during the current fiscal year may be used to make expenditures, contracts, or commitments for the export of nuclear equipment, fuel, or technology to any country other than a nuclear-weapon State as defined in Article IX of the Treaty on the Non-Proliferation of Nuclear Weapons eligible to receive economic or military assistance under this Act that has detonated a nuclear explosive after the date of enactment of this Act.

SUBSIDY APPROPRIATION

For the cost of direct loans, loan guarantees, insurance, and tied-aid grants as authorized by section 10 of the Export-Import Bank Act of 1945, as amended, \$632,000,000 to remain available until September 30, 1999: *Provided*, That such costs, including the cost of modifying such loans, shall be as defined in section 502 of the Congressional Budget Act of 1974: *Provided further*, That such sums shall remain available until 2013 for the disbursement of direct loans, loan guarantees, and insurance obligated in fiscal years 1998 and 1999: *Provided further*, That funds appropriated by this paragraph are made available notwithstanding section 2(b)(2) of the Export-Import Bank Act of 1945, in connection with the purchase of lease of any product by any East European country, any Baltic State, or any agency or national thereof.

ADMINISTRATIVE EXPENSES

For administrative expenses to carry out the direct and guaranteed loan and insurance programs (to be computed on an accrual basis), including hire of passenger motor vehicles and services as authorized by 5 U.S.C. 3109, and not to exceed \$20,000 for official reception and representation expenses for members of the board of Directors, \$48,614,000: *Provided*, That necessary expenses (including special services performed on a contract or fee basis, but not including other personal services) in connection with the collection of moneys owed the Export-Import Bank, repossession or sale of pledged collateral or other assets acquired by the Export-Import Bank in satisfaction of moneys owed the Export-Import Bank, or the investigation or appraisal of any property, or the evaluation of the legal or technical aspects of any transaction for which an application for a loan, guarantee or insurance commitment has been made, shall be considered nonadministrative expenses for the purposes of this heading: *Provided further*, That, notwithstanding subsection (b) of section 117 of the Export Enhancement Act of 1992, subsection (a) thereof shall remain in effect until October 1, 1998.

OVERSEAS PRIVATE INVESTMENT CORPORATION NONCREDIT ACCOUNT

The Overseas Private Investment Corporation is authorized to make, without regard to fiscal year limitations, as provided by 31 U.S.C. 9104, such expenditures and commitments within the limits of funds available to

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