

of the Interior. The Qataris have concerns about mixing politics and their military forces. The final number of those eligible to vote has not been reported. However, we do know that of the approximate 22,000 people registered to vote, approximately 45% were women.

The queen, Shaykha Mouza spoke to the issue of the careful balance that needs to be struck between the traditional, conservative aspects of their society and the drive to move towards a parliamentary democracy. This is only the first election for a municipal council which is advisory in nature, but it is a valid step. I believe that it is important for us and for Qatar, that we pass this resolution congratulating the Emir's efforts on behalf of his nation.

As we all know, governing is a difficult task. It is a deliberative and often slow process, but the important thing is that the process moves forward. We need to salute and congratulate this nation for their step forward and encourage them to continue on their journey to the great experiment called democracy.

Mr. Speaker, I yield back the balance of my time.

Ms. ROS-LEHTINEN. Mr. Speaker, I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentlewoman from Florida (Ms. ROS-LEHTINEN) that the House suspend the rules and agree to the concurrent resolution, House Concurrent Resolution 35, as amended.

The question was taken.

Ms. ROS-LEHTINEN. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER pro tempore. Pursuant to clause 8 of rule XX and the Chair's prior announcement, further proceedings on this motion will be postponed.

MICROENTERPRISE FOR SELF-RELIANCE ACT OF 1999

Mr. DIAZ-BALART. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 136 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 136

Resolved, That at any time after the adoption of this resolution the Speaker may, pursuant to clause 2(b) of rule XVIII, declare the House resolved into the Committee of the Whole House on the state of the Union for consideration of the bill (H.R. 1143) to establish a program to provide assistance for programs of credit and other financial services for microenterprises in developing countries, and for other purposes. The first reading of the bill shall be dispensed with. Points of order against consideration of the bill for failure to comply with clause 4(a) of rule XIII are waived. General debate shall be confined to the bill and shall not exceed one hour equally divided and controlled by the chairman and ranking minority member of the Committee on International Relations. After general debate the bill shall be considered for amendment under the five-minute rule. Each section of the bill shall be considered as read. During consideration of the bill for amendment, the chairman of the Committee of the Whole may accord priority in recognition on the basis of whether the

Member offering an amendment has caused it to be printed in the portion of the Congressional Record designated for that purpose in clause 8 of rule XVIII. Amendments so printed shall be considered as read. The chairman of the Committee of the Whole may: (1) postpone until a time during further consideration in the Committee of the Whole a request for a recorded vote on any amendment; and (2) reduce to five minutes the minimum time for electronic voting on any postponed question that follows another electronic vote without intervening business, provided that the minimum time for electronic voting on the first in any series of questions shall be 15 minutes. At the conclusion of consideration of the bill for amendment the Committee shall rise and report the bill to the House with such amendments as may have been adopted. The previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit with or without instructions.

□ 1145

The SPEAKER pro tempore (Mr. Ewing). The gentleman from Florida (Mr. DIAZ-BALART) is recognized for 1 hour.

Mr. DIAZ-BALART. Mr. Speaker, for purposes of debate only, I yield the customary 30 minutes to the gentleman from Ohio (Mr. HALL), pending which I yield myself such time as I may consume. During consideration of this resolution, all time yielded is for the purpose of debate only.

House Resolution 136 is an open rule providing for the consideration of H.R. 1143, the Microenterprise for Self-Reliance Act of 1999. The purpose of the legislation is to establish a program to provide assistance for programs of credit and other financial services for microenterprises in developing countries. The rule provides for the customary 1 hour of general debate, equally divided and controlled by the chairman and ranking minority member of the Committee on International Relations.

The rule waives clause 4(a) of rule XIII requiring a 3-day layover of the committee report against consideration of the bill. In addition, the rule provides that the bill shall be read by section. The rule permits the Chair to grant priority in recognition to Members who have preprinted their amendments and considers them as read.

Further, as has become standard practice in this Congress, the Chair is allowed to postpone recorded votes and to reduce the time for electronic voting on postponed votes, and finally the rule provides for one motion to recommit with or without instructions.

Mr. Speaker, to keep with our record of fair rules for the 106th Congress, I am pleased to report that this resolution is yet another open rule that affords any Member the opportunity to offer any germane amendments.

House Resolution 1143 is much needed legislation to enhance credit opportunities for microenterprises in developing countries. These businesses are so small, 10 or fewer employees, and the average loan is so low; most are

less than \$300; that they are thought of as microenterprises as opposed to small businesses. Microenterprises are the economy of the very poorest segment of the economy in developing countries, and estimates of their number range from one-third to perhaps one-half of the world's businesses.

Microenterprises have been an area of interest for U.S. foreign assistance for many years. In 1994, the USIA, USAID, formally launched the microenterprise initiative in partnership with Congress to expand funding for that department's microenterprise programs. The summit's goal for that year was to target half of the microenterprise resources to serve the poorest with loans under \$300.

The ability to obtain credit is one of the most important factors in starting or expanding a microenterprise. Often these loan amounts are so low that a commercial bank would not find them profitable, or an entrepreneur has very little in the way of collateral, so the bank would consider them too risky. Yet most micro-loan institutions boast repayment rates of 97 percent or better, putting them at least on a par with major banks who lend to more affluent and traditional borrowers. I believe that supporting microentrepreneurs is an excellent investment in dramatically improving the quality of life of millions throughout the world. Providing access to loans can help low-income entrepreneurs expand their inventory or even hire additional employees and can truly enhance a person's self-esteem by giving him or her a genuine opportunity in life.

In addition, microfinance can serve as a powerful tool for building a more inclusive financial sector which serves the broad majority of the world's population, including the very poor and women, and thus generates more social stability and prosperity. This legislation states that the United States should coordinate among the G-7 nations to bolster support for the microenterprise sector by leveraging our investment with that of other donor nations.

H.R. 1143 appropriately makes microenterprise development an important component of U.S. foreign economic policy and assistance by expanding on the commitment of the USAID in its 1994 microenterprise initiative. I believe that in improving the access of the poorest, especially women, to much needed financial resources in developing countries will lead to the development of free, open and equitable international economic systems and contribute to the spread of freedom and human dignity in the world.

I would like to commend the gentleman from New York (Mr. GILMAN), the gentlewoman from Florida (Ms. ROS-LEHTINEN), my dear colleague from the Committee on Rules, the gentleman from Ohio (Mr. HALL), and the others who have worked so hard on this legislation for their efforts in bringing this very important bipartisan bill forward. I strongly support H.R. 1143 and

urge all of my colleagues to support both this open rule and the underlying important bill.

Mr. Speaker, I urge my colleagues to support the rule.

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

Mr. HALL of Ohio. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I want to thank my colleague, the gentleman from Florida (Mr. DIAZ-BALART), for yielding me the time.

This is an open rule. It will allow for full and fair debate on H.R. 1143 which is called the microenterprise bill for self-reliance. It is an act of 1999 of which I am proud to be an original cosponsor.

As my colleague from Florida has described, this rule provides for 1 hour of general debate to be equally divided and controlled by the chairman and ranking minority member of the Committee on International Relations.

The rule permits amendments under the 5-minute rule, which is the normal amending process in the House. All Members on both sides of the aisle, they will have the opportunity to offer germane amendments.

This is a bipartisan bill that reflects broad congressional support.

A microenterprise is a small business with as few as one or as many as ten employees. Loans to these companies or small businesses are among the most cost-effective ways to help the poor lift themselves out of poverty.

I became familiar with the potential of microenterprise to reduce poverty because of the House Select Committee on Hunger, and I used to chair the international task force of the committee, and later I was chairman of the full committee. The Hunger Committee held hearings, we issued reports, we conducted public forums to inform Congress and the public on the importance of microcredit to reducing hunger and poverty around the world. In one report the Hunger Committee concluded that small loans to microenterprises can significantly raise the living standards of the poor, increase food security and bring about sustainable improvements in local economies. The committee further concluded that credit to microenterprises is one way to help end the cycle of poverty and hunger among urban and rural landless poor in developing countries. The bill before us today strengthens and enhances the United States leadership in the field of microenterprise development to fight hunger and poverty in the world.

I want to congratulate the distinguished chairman, the gentleman from New York (Mr. GILMAN), the ranking minority member, the gentleman from Connecticut (Mr. GEJDENSON) of the Committee on International Relations for their commitment to microenterprise and other poverty alleviation programs and for their hard work in bringing this important legislation to the

floor. Special thanks is also due to the gentleman from New York (Mr. HOUGHTON) for his instrumental leadership on this issue.

The bill is very similar to a measure that was introduced by the gentleman from New York (Mr. HOUGHTON) and myself in the 105th Congress. An amended version of the bill passed the House on a 393 vote to 21, but it got stalled in the Senate. I am particularly pleased that today's bill very closely resembles the original Amo Houghton bill and Hall bill from the last Congress than the version which passed the House.

No U.S.A. program is more effective in assisting poor people to end their own poverty than microenterprise development. The dollars have a multiplier effect since they are recycled to new beneficiaries when loans are repaid.

This bill is a good bill, and it will improve the lives of many of the world's poor with a minimum of cost. It is an open rule that was adopted by a voice vote of the Committee on Rules. I urge adoption of the rule and of the bill.

Mr. DIAZ-BALART. Mr. Speaker, I yield such time as he may consume to the gentleman from California (Mr. DREIER), the distinguished chairman of the Committee on Rules.

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

Mr. DREIER. Mr. Speaker, I rise in strong support of this rule, and I would like to thank my friend from Miami, Florida (Mr. DIAZ-BALART) for yielding me this time.

The underlying bill is vital to the economic growth of developing countries. H.R. 1143 is a bipartisan bill cosponsored by my friend from Dayton, Ohio (Mr. HALL), and a number of others and is designed to provide assistance for programs of credit and other financial services for microenterprises in developing countries.

For a number of years I have been proud to be a supporter of microenterprise programs. I support H.R. 1143 because it moves us forward and sets the direction for the future of microenterprise programs.

One of the most important elements of this legislation is the requirement to increase the amount of assistance devoted to credit activities designed to reach the poorest sector in developing countries and to improve the access to the poorest, particularly women, to microenterprise credit in developing countries. We have been informed by the World Bank that more than 1.2 billion people in the developing world, one-fifth of the world's entire population, subsists on less than \$1 a day. Today this Congress sends a message that America not only supports the political and religious freedom of all people, but also advocates the economic freedom of people in nations across this globe. The bill will make microenterprise development an important element of United States economic policy and assistance.

Mr. Speaker, Ronald Reagan once said that part of our foreign policy to maintain peace abroad was to promote market-oriented solutions to international problems, telling the story abroad of America's free enterprise way of life. As the United States leads the way in developing a new global financial architecture, I believe that microenterprise will play an indispensable role in that quest.

Mr. Speaker, I strongly support this rule, and I urge my colleagues to support the legislation as it moves forward.

Mr. HALL. Mr. Speaker, I yield 2 minutes to the gentlewoman from Texas (Ms. JACKSON-LEE).

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

Ms. JACKSON-LEE of Texas. Mr. Speaker, I thank the gentleman from Ohio very much for yielding this time to me, and I ask to be able to speak for 2 minutes.

Mr. Speaker, let me thank the gentleman from Ohio (Mr. HALL) for this time and join in by applauding this rule and, as well, acknowledging the vitality of the microenterprise program in developing nations. According to the World Bank, more than 1.2 billion people in the developing world, or one-fifth of the world's population, as we have just heard the previous speaker acknowledge, lives on less than \$1 a day, and for Americans that is obviously a stark figure and a shocking figure. But at the same time there is hope, there is genuine desire to do better, and particularly for those small businesses and small-opportunity individuals in developing nations.

Wherever one goes and visits, whether or not it is the continent of Africa, whether or not it is in South America that is close to Texas and Central America, they will find those individuals that simply say, "If you'll give me a fishing rod instead of a fish, I can make a difference."

We had an opportunity in the session, the work recess session, to join a presidential mission dealing with the tragedy of HIV AIDS in Africa. Interestingly enough, one would ask how does the microenterprise program deal with the question of HIV AIDS? Mr. Speaker, the real issue along with the tragedy of AIDS, and prevention, and education, the impact on children, the number of offerings that will come about because of the tragedy of AIDS in Africa, is the idea of giving communities an opportunity to self invest and to create businesses where they can stay in these rural areas as opposed to traveling from place to place.

□ 1200

We met, for example, an elderly grandmother who was taking care of a number of her grandchildren due to the tragedy of them losing their parents to HIV/AIDS.

Mr. Speaker, one might find it curious and interesting, but she was making banana beer. Part of her efforts

were through the support of USAID. Of course, many of these programs interact, but the enterprise program impacts on giving opportunity to those who have ideas to ensure that there is a return on their investment.

In February 1997, a global microcredit summit was held in Washington to launch a plan to expand access to credit for self-employment to the 100 million of the world's poorest families by 2005. I cannot imagine us in any way doing something more effective, more efficient and more far-reaching than to help those individuals who wish to help themselves in developing nations. One of the points we have heard is that we do want to build our economy.

Mr. Speaker, I would simply say that I support the microenterprise program and hope that we can continue to expand it.

Mr. Speaker, I rise in support of the open rule for H.R. 1143, a bill to assist microenterprises in developing countries. This bill will authorize grant assistance to further the development of microenterprises in developing countries. The grants are to be provided to businesses, governments and other organizations in both the United States and abroad to expand the availability of financial services, credit and training for microentrepreneurs. In this manner these grants will assist the poorest of the poor in their endeavors to expand their incomes and their businesses.

The most recent statistics provided by the World Bank, indicate that 1.2 billion people in the developing world, or one-fifth of the world's population, subsist on less than \$1 a day. That is right, they live on less than \$1 a day. Women in poverty generally have larger workloads and less access to educational and economic opportunities than their male counterparts. This in turn means that women in these countries lack stable employment and frayed social safety nets.

Many in the developing world turn to self-employment to generate their livelihoods. I know first hand, from my trips to Africa that a large percentage of the workers are self-employed. The poor have shown remarkable courage in the face of poverty and have demonstrated an uncanny ability to expand their incomes and business when they have access to loans at reasonable rates.

It is the unfortunate truth that entrepreneurs are frozen in poverty because they cannot obtain sufficient credit at reasonable rates to build their asset base or expand their otherwise viable self-employment activities. It is not unusual for interest rates to be as high as 10 percent per day.

Similar measures have already proven successful in these developing countries. Non-governmental organization such as the Grameen Bank in Bangladesh, in Kenya, and networks such as Accion International, have been particularly successful in lending to poorest of the poor. This measure helps both the business and the individual to develop a sense of accomplishment.

I urge members to support this open rule which allows for bipartisan debate.

Mr. DIAZ-BALART. Mr. Speaker, I yield 5 minutes to the gentlewoman from Florida (Ms. ROS-LEHTINEN), the distinguished chairwoman of the Subcommittee on International Economic

Policy and Trade of the Committee on International Relations.

Ms. ROS-LEHTINEN. Mr. Speaker, I thank my colleague, the gentleman from Florida (Mr. DIAZ-BALART) for yielding me this time.

Mr. Speaker, I rise in support of the resolution before us, H.R. 1143. As we look at the reports issued by the World Health Organization, which document, as we have heard, that one-fifth of the world's population lives in extreme poverty and that poverty is one of the leading causes of death worldwide, the problem of how to help poor families appears so immense and widespread that it seems impossible to manage.

This, Mr. Speaker, is where microcredit comes in. It is a new vision for ending world poverty and it provides access to credit for the world's poor to convert their ideas into thriving small businesses. People like Salomie Chung and Elisa Crespo from my hometown of south Florida, who with the assistance of Kathleen Gordon of Working Capital Florida and Gail Neumann of Results-Miami no longer need to worry about survival and basic existence because they are now successful entrepreneurs.

These are just a few domestic examples, but microcredit is now at work in some form in over 40 countries.

Overall, the rate of repayment of the more established programs ranges from 95 to 99 percent. Foreign assistance used under the microcredit program is loaned and paid back with interest and is then recycled and used for new loans, thus, reaching even more of the world's poor.

Microcredit is an economically viable program which furthers U.S. development goals and humanitarian purposes, but it needs our unequivocal support to continue its mission and to build on its success.

That is the objective, Mr. Speaker, of the bill before us, House Resolution 1143. It expands upon previous legislation and ensures that at least one-half of overall resources allocated for microcredit within USAID are to be directed to programs serving the poorest of the poor with loans under \$300. This could mean that tens of thousands more of the poorest will have the opportunity to empower themselves out of the state of poverty that they are currently in.

The bill before us helps to guarantee the survival of programs which are endangered by crises beyond the control of the programs and of the borrowers. It calls for further action and initiative to be explored to help enhance the development of microcredit institutions.

As H.R. 1143 states, the development of microenterprise is a vital factor in the stable growth of developing countries and in the development of free, open and equitable international economic systems.

It is, therefore, in the best interest of the U.S. and of the United States Congress to support its growth and its expansion. By supporting H.R. 1143 and microcredit in general, we are invest-

ing in the human spirit and the desire of the world's poor to use their creativity, their talents and their skills to control their own destiny.

For the future welfare of the men, women and children worldwide who suffer the pain inflicted by poverty, I ask my colleagues to vote in favor of H.R. 1143.

Mr. HALL of Ohio. Mr. Speaker, I yield 4 minutes to the gentleman from California (Mr. FILNER).

Mr. FILNER. Mr. Speaker, I thank the gentleman from Ohio (Mr. HALL) for yielding me this time.

Mr. Speaker, I, too, rise in support of H.R. 1143, which establishes assistance to microenterprise programs in developing countries. This bill is very important for a number of reasons which we have already heard. It establishes in law our support for microenterprise. Congress has not provided full authorization up until now for microenterprises in developing countries.

Second, this bill sets aside increased resources for microenterprise programs for the next 2 years.

Third, it ensures that half of the funding goes to programs which serve the very poor in loans of \$300 or less. I recently saw some of these programs in Petra in Jordan, and in Marrakesh in Morocco.

I have been a longtime supporter of microenterprise lending. Several years ago, my senior legislative assistant went to Bangladesh to view the Grameen Bank and microenterprise at work in that country. As many know, the Grameen Bank was one of the first to establish such a program and to make microloans available to the poorest of the poor.

The premise of the Grameen Bank and other microenterprise programs is that the capitalist system in these countries does not have to be only for the rich, and credit should be seen as a human right. If we are looking for one single action that will enable the poor to overcome their poverty, we should choose credit. Charity and handouts help maintain and deepen poverty by taking away initiative. Human beings thrive on challenges, not on charity.

The Grameen Bank is now owned by the poor people of Bangladesh and it works exclusively with poor people. The less one has, the higher priority one has for loans. If one has nothing, they get the highest priority.

Ninety percent of the shares are owned by the borrowers. The board of directors consists of 13 members, nine of whom are elected by the borrowers and shareholders. It serves over 2.4 million borrowers, and the payback rate is 98 percent, money which can then be re-lent to others. So far, this program has lent out and has been repaid with over \$2 billion in Bangladesh alone.

There are many examples of how these microloans have changed the life of the borrower. My legislative assistant spoke to a woman in a village in central Bangladesh. Five years earlier when she was living in complete poverty with her six children starving, she

turned with some hesitation to the Grameen Bank.

Five years after her first loan, she graciously invited my assistant into her home, introduced her children who are all in school, and proudly showed off the cow that she had bought and the material she retails to support her family.

The first years were not easy. In fact, she told of selling the milk from her cow when her children were still hungry, but she knew she had to repay the bank loan to get another one and she knew that that was the way out of her poverty.

As my assistant left, she asked for her to pray that there would be no more widows in her village because life for a widow is just too hard.

In a neighboring village, a young woman of 26 owned two goats, one cow, ten hens and two acres of land and was earning twice the national average income. Her son was in the eighth grade in a country where not quite half the children complete the fifth grade. She had had a hard life as she was abandoned at 3 months by her parents, raised by a neighbor, married at 12, abandoned again at 13, this time by her husband when she was pregnant. She had never earned more than \$37 a year and owned no land.

After her visit to the Grameen Bank, she began her own career which allowed her children to get to school and her to have a living wage.

Replicated throughout the world and now in the United States also, micro-credit programs are working to eliminate poverty worldwide. Working in partnership with groups like Results, they have set a goal of reaching 100 million of the world's poorest families.

This bill is very important. It is a crucial piece that will help us reach our world and national goals. I urge my colleagues to support H.R. 1143.

Mr. HALL of Ohio. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I would just say that the rule is open and it is a very, very good bill. This bill provides a lot of relief, a lot of help for hundreds of thousands of people across the world. We even do microenterprise very well in some States in our own country. It is a very good policy. I urge its adoption.

Mr. Speaker, I yield back the balance of my time.

Mr. DIAZ-BALART. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I fully agree with the gentleman from Ohio (Mr. HALL) and all the speakers who have so eloquently portrayed why the underlying legislation is so important and why we need to move forward with it today. I also support the rule. It is a fully open rule.

Mr. Speaker, I yield back the balance of my time, and I move the previous question on the resolution.

The previous question was ordered. The resolution was agreed to.

A motion to reconsider was laid on the table.

The SPEAKER pro tempore (Mr. GILLMOR). Pursuant to House Resolution 136 and rule XVIII, 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. 1143.

□ 1211

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. 1143) to establish a program to provide assistance for programs of credit and other financial services for microenterprises in developing countries, and for other purposes, with Mr. EWING in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. Pursuant to the rule, the bill is considered as having been read the first time.

Under the rule, the gentleman from New Jersey (Mr. SMITH) and the gentlewoman from California (Ms. LEE) each will control 30 minutes.

The Chair recognizes the gentleman from New Jersey (Mr. SMITH).

(Mr. SMITH of New Jersey asked and was given permission to revise and extend his remarks.)

Mr. SMITH of New Jersey. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, many of us have heard or seen the phenomenal success of microenterprise programs around the world. These programs reach the poorest of the poor with small loans that help them to work their way out of poverty.

The record of these programs is impressive, with the poorest clients repaying their loans at rates between 95 and 98 percent. Unlike other assistance programs, we do not give funds away. We lend them to people once considered the worst credit risks on earth.

Microenterprise programs proved that with access to credit, the poor can repay their loans and work their way out of poverty.

The bill before the House is a result of almost 4 years of consensus building between the gentleman from New York (Mr. GILMAN) and the ranking Democratic member, the gentleman from Connecticut (Mr. GEJDENSON).

The gentleman from Connecticut (Mr. GEJDENSON) and the gentleman from New York (Mr. GILMAN) and many of us have worked for a number of years on microenterprise development programs from their first beginnings at the Grameen Bank in Bangladesh to today when microfinancing institutions are some of the largest lenders in many developing countries.

The bill also builds on the work in the last Congress, the Houghton-Hall bill. The authors of that legislation will recognize that much of the language in this bill came directly from their bill.

This legislation started as a renewal of our bipartisan cooperative effort

with the administration, including AID and the First Lady's office, to strengthen microfinance programs. We will recall the President's visit to Uganda where he visited a microfinance project and declared that this was one of the most successful ways to help the poor in developing countries to work their way out of poverty.

Mr. Chairman, this bill accomplishes several key goals. First, it contains the essential language that half of all microenterprise resources go directly to support programs that provide \$300 loans or lower to the poorest of the poor.

This requirement traces back to the highly successful microcredit summit convened by Results to dedicate the international community to reaching half of the world's poor with credit programs by the year 2005.

□ 1215

The bill adds a new section to the Foreign Assistance Act governing grants to microfinance institutions, authorizing \$152 million in appropriations for fiscal year 2000 and \$167 million for fiscal year 2001.

I will note that these are consensus figures of the Microenterprise Coalition, advocacy and practitioners alike, and they are not strongly opposed by the administration.

The bill authorizes the micro and small credit program of AID that has helped many microentrepreneurs grow from small- to medium-sized businesses. The bill has also two major new sections that lay the foundation for the future growth of the microfinance sector.

First, at the suggestion of the gentleman from Connecticut (Mr. GEJDENSON), the bill establishes a microfinance loan facility to help rescue institutions which the U.S. taxpayer has supported with liquidity and support to prevent collapse.

We have all witnessed the destruction caused by Hurricane Mitch in Central America. The destruction nearly caused the collapse of several key microfinance institutions that the U.S. helped to build from the ground up. The ad hoc rescue package assembled by Brian Atwood at AID rescued these institutions so they can now head to recovery.

We have also had other near collapses, and the facility will help address these emergencies in a more systematic way.

Secondly, the bill calls for a number of reports by the President to lay out the future growth of these institutions, including a Federal charter. Using these reports, we hope to lay out a road map for the growth of the microfinance section over the next 10 years.

This legislation has 26 original co-sponsors and has been endorsed by the Microenterprise Coalition, including RESULTS and FINCA. It is my understanding that the administration has moved mightily and now has only some concerns with the legislation, and does not oppose its adoption today.

The gentleman from Connecticut (Mr. GEJDENSON) and the gentleman from New York (Mr. GILMAN) and I have one amendment that will make some technical changes to the bill, to its loan facility, that were worked out with AID. Other than that, I am not aware of any other amendments that will be offered today.

I urge the support of this legislation. It is a good bill.

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

Ms. LEE. Mr. Chairman, I yield myself such time as I may consume, and I rise in support of H.R. 1143.

Mr. Chairman, this legislation is a product of many years of hard work on behalf of microenterprise. I want to thank the ranking member, the gentleman from Connecticut (Mr. GEJDENSON) and the gentleman from New York (Chairman GILMAN) for several years of hard work on this issue.

I would also like to recognize two great leaders who have done so much to advance the cause of microcredit lending to the poor and to empower women in developing countries. First Lady Hillary Rodham Clinton and AID administrator Brian Atwood have worked tirelessly to make sure that the United States takes a leadership role to expand access to credit for self-employment to 100 million of the world's poorest families. One-fifth of the world's population exists on less than \$1 a day, and 32,000 children die each day from preventable malnutrition.

I had the opportunity to visit Ghana and South Africa last week, and I met with many women entrepreneurs who were the primary income earners for their families. Access to just a small amount of capital, I was told, would help them raise the standard of living for their entire families.

Many of the poor who do not have access to microenterprise programs are forced to pay interest rates of 10 percent per day to money lenders. In contrast, interest rates on microcredit loans average between 2 percent and 5 percent per week. The return rate on these loans is between 95 percent and 99 percent.

Let me briefly explain what this bill does. It permanently establishes two new sections in statutory law to govern microenterprise grants and loans. Under the grants section, it authorizes grants to support microlending programs. These grants are generally used to start new microlending programs. It authorizes \$152 million for fiscal year 2000, and \$167 million for fiscal year 2001 for microenterprise programs. It mandates 50 percent of all microenterprise resources to be used for poverty lending, defined as institutions that provide credit and other financial services to the poorest with loans of \$300 or less in 1995 dollars.

Currently, 68 percent of loans are \$300 or less, and about 47 percent of total resources support poverty lending.

This bill creates a loan facility inside of AID. The facility will provide

concessional loans to United States-sponsored microfinance institutions to prevent bankruptcy caused by natural disasters, national wars, civil conflict, or national financial crises. The facility would be supervised by representatives of the Department of the Treasury, AID, and two representatives from the NGO community. It requires the President to prepare a report to Congress on the most cost-effective methods for increasing the access of poor people to credit, other financial services, and related training.

I urge my colleagues to support this bill.

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

Mr. SMITH of New Jersey. Mr. Chairman, I yield such time as he may consume to the gentleman from North Carolina (Mr. BALLENGER).

Mr. BALLENGER. Mr. Chairman, I rise today in support of H.R. 1143, the Microenterprise Self-Reliance Act. The low-cost loans and training opportunities provided by this program create unimaginable opportunity and hope for people living in the poorest and most desolate areas of the world.

As a Member who is personally committed to the growth and prosperity of Central and South America, I have witnessed firsthand the benefits of microenterprise and the microcredit programs to the poorest of the poor. Through these programs, the U.S. has been able to encourage economic growth and self-dependency in countries less fortunate than our own.

The minimal cost of the microenterprise program yield great benefits and have a tremendous long-term impact on the future economic and social development of many nations, specifically those in Central America.

I would like to give, if I may, a couple of individuals cases that I personally have seen, first that occurred in El Salvador maybe 10 or 12 years ago. They took us to a tailor shop where this gentleman volunteered to give me a three-piece suit, cut to my standard style and size and everything, for \$100. I don't know how the rest of the Members feel, but this was unbelievable.

I found out that this gentleman in his time of need found out that he could get a sewing machine for \$100 that he borrowed from the microenterprise. With that \$100 and a pair of scissors, he started producing clothes. At the time that I saw him there, he had four sewing machines and the whole operation, and his \$100 now had become \$3,000 that he was able to invest. That was in El Salvador.

Several years later when we were in Nicaragua we asked, why in the world don't microenterprises come to Nicaragua? In this particular case they took us to a shopping area of downtown Managua and showed us a young lady there who had borrowed \$200 to start off with. She put vegetables and flowers and seeds and so forth for sale. After 3 years in that small investment of about \$200, I asked her what her in-

ventory was. It was a little grocery store by then. She had \$7,000 worth of groceries there.

All of this was done by small loans that were immediately paid back. Their loan qualities were unbelievable the way they paid it back, just as the statistics have already shown. I would just like to recommend highly that this is a wonderful program and we ought to do something about it.

In many impoverished countries there are no secure financial institutions where people can apply for loans, no training facilities to teach people a trade, and no encouraging signs of growth and prosperity. The microenterprise programs make these resources available, and allow people who once had no hope of sustaining a livable wage, it gives them a real chance to become self-sufficient.

As the U.S. continues to promote assistance, as opposed to handouts, I think it is important for us to applaud programs that grant an opportunity for growth. I encourage all my colleagues to vote in favor of this legislation, which has proven to benefit the international community that needs our help most, the poorest of the poor.

Please support the Microenterprise Self-Reliance Act.

Ms. LEE. Mr. Chairman, I yield 3 minutes to the gentlewoman from North Carolina (Mrs. CLAYTON).

Mrs. CLAYTON. Mr. Chairman, I thank the gentlewoman from California for yielding time to me.

Mr. Chairman, I am pleased to join with my colleagues in the spirit of bipartisanship to support the goals and the objective of microenterprises in developing countries.

Many of the world's poorest workers are self-employed. These entrepreneurs are trapped in poverty because they cannot obtain credit at a reasonable rate that will allow them to build their assets and expand their businesses.

The global credit program for microenterprises provides funds that will increase the flow of credit from the formal financial sector to the micro entrepreneurs, with a view to improving their productivity, income, and employment level.

Over the past years we have learned firsthand the dramatic impact that microenterprise has had on the lives of millions of the world's poorest families, enabling many of them to pull themselves out of poverty. Our support for microenterprise needs to be strengthened, and our resolve and commitment to ensure that we meet the goals and objectives of microenterprise fortified.

Two examples were shared recently by RESULTS with my office. In Uganda a woman borrowed money to invest in her brick-making company. She was producing 1,000 bricks, and she borrowed money, and she has now increased it to 5,000 bricks. She uses the money to school her children, to allow them to have a better opportunity than herself.

The second example is in El Salvador, a woman borrowed \$57 to increase her bread-making business. She has been so successful she has now bought out her supplier.

These examples are indeed proof that this program is a success, not only for the people it is intended for, but also their ability to pay back the loans exceeds that in the private sector.

We must recommit ourselves to ensuring that 100 million of the world's poorest families are afforded the opportunity that many of us take for granted, the opportunity to direct and shape our future by investing our skills, talents, and energy into building, sustaining, and expanding small businesses.

H.R. 1143 grants that opportunity and assurance by authorizing grant assistance of \$152 million in the fiscal year 2000, \$167 million in fiscal year 2001, to further the development of microenterprise in developing countries. This is a modest investment that can have a powerful impact on the eradication of poverty.

Microcredit is not charity, nor is it big government gone astray, but rather, microcredit is a sound and wise investment that deserves priority and protection. Without a focused effort to empower individuals in the poorest regions of the world, dire poverty will continue to plague our global community, draining our capital resources, sapping our political will, and destroying countless human lives worldwide.

I urge my colleagues to join me in support of this desperately needed legislation.

Mr. SMITH of New Jersey. Mr. Chairman, I yield such time as he may consume to the gentleman from North Carolina (Mr. BALLENGER) for the purposes of a colloquy.

Mr. BALLENGER. Mr. Chairman, Section 4(b)5 of the bill states that "Assistance provided under this subsection may only be used to support microenterprise programs and may not be used to support programs not directly related to the purposes described in paragraph (1)."

I would ask the gentleman from New Jersey (Chairman SMITH), do I understand correctly that this language prohibits requirements not directly related to the enterprise for which credit is extended from being imposed on a microcredit beneficiary as a condition on their eligibility for assistance?

Mr. SMITH of New Jersey. Mr. Chairman, if the gentleman will yield, I would say to the gentleman that this is correct.

This colloquy, for the purposes of the record and for my colleagues, has been worked out with the gentleman from New York (Chairman GILMAN) and with his full concurrence.

The answer to the question is, that is correct.

Mr. BALLENGER. Requirements not directly related to the microenterprise cannot be considered as a factor affecting the amount or terms of the assist-

ance that microcredit applicants are eligible to receive?

Mr. SMITH of New Jersey. Yes, that is correct. Funds provided by this bill may be used only to support microenterprise programs. A requirement that a microcredit applicant fulfill some unrelated precondition would constitute support for something other than microenterprise programs. Thus, such requirements are expressly prohibited by section 4(b)5.

Mr. BALLENGER. Thus, to take an extreme example, a program funded by this bill could not require that an applicant be sterilized before she is eligible for microenterprise assistance?

Mr. SMITH of New Jersey. Yes. Section 4(b)5 would prohibit funding of any program that attempted to impose such a condition.

Mr. BALLENGER. I thank the gentleman from New Jersey (Mr. SMITH).

Mr. SMITH of New Jersey. Mr. Chairman, I yield 4 minutes to the gentleman from Nebraska (Mr. BEREUTER), the vice chairman of the Committee and the chairman of the Subcommittee on Asia and the Pacific.

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

□ 1230

Mr. BEREUTER. Mr. Chairman, I rise in support of the legislation. I thank the gentleman from New Jersey (Mr. SMITH) for yielding me this time.

I am an original cosponsor and strong supporter of this bill. This Member first became familiar with the microenterprise concept during the 99th Congress. At that time, an organization known by its acronym of FINCA, F-I-N-C-A, worked closely with poverty stricken areas of Latin America and South America. The concept of microenterprises, I think had not had much visibility at all on Capitol Hill or in America until we learned about FINCA's good work.

Having since visited numerous developing countries while serving on the Committee on International Relations, this Member can testify to the utter despair and grinding poverty that is all too commonplace throughout so much of the world and to the hope which microenterprise programs can provide.

Much of the grinding poverty could be redressed by just a few dollars' worth of tools and raw materials. In countries where the average wage may be no more than 50 cents a day, as little as \$10 can provide someone with the need to make straw mats or leather for shoes. Just a few dollars can stock a peddler's cart and allow him or her to rise above helpless poverty.

Microenterprise initiatives will not make anyone rich, but it will pay for tuition for a child's basic education or the cost of a concrete surface to replace an old dirt floor, or a pump where the water is not tainted. Importantly, microenterprise can provide these small luxuries, or I would say basic elements of life, but they come only to

those who are willing to combine these small loans with hard work.

Recipients of these loans certainly do work hard. It is reported that recipients repay the principal within the first month in many cases, and 95 to 98 percent of recipients repay the loans on time. Indeed, that repayment rate is incredibly good as compared to commercial banks' repayments. It also serves, I think, as a strong testament to recipients' receptivity to these programs.

The legislation before this body today gives an important boost to existing microenterprise programs like the Grameen Bank in Bangladesh, where microenterprise has had great positive effects for a whole generation of women; or BancoSol, which now has the largest number of clients of any financial institution in Bolivia. This legislation will ensure their survival.

H.R. 1143 sets forth the guidelines to ensure that the needs of the poorest of the poor are addressed. One-half of all microenterprise resources are devoted to loans of \$300 or less.

Importantly, the legislation establishes a facility specifically devoted to countries devastated by war or natural disasters. This is a particularly important provision, Mr. Chairman. It means all is not lost when torrential flooding destroys an entire economy, as was the case last year in Bangladesh. It means that people in war-torn regions can return home and try to start life anew, as has been the case in Rwanda and Cambodia.

Mr. Chairman, H.R. 1143 speaks to the best part of our collective conscience. Through this legislation, the U.S. is offering hope to those who have no hope, a helping hand to those who want to make for themselves a better life.

This Member congratulates the author of this initiative, the gentleman from New York (Mr. GILMAN), the chairman of the Committee on International Relations. It is largely through his efforts that microenterprise has become such an important part of our foreign assistance efforts.

This Member would also thank the distinguished gentleman from Connecticut (Mr. GEJDENSON), the ranking Democrat on the committee, for his constructive efforts to move this legislation forward.

I thank the gentleman from New Jersey (Mr. SMITH) for yielding me this time and for his support of the legislation.

Ms. LEE. Mr. Chairman, I yield 3 minutes to the gentlewoman from Michigan (Ms. KILPATRICK).

(Ms. KILPATRICK asked and was given permission to revise and extend her remarks.)

Ms. KILPATRICK. Mr. Chairman, first, to the gentlewoman from California (Ms. LEE), sitting in for the gentleman from Connecticut (Mr. GEJDENSON), I thank her so much for yielding me the time. I thank the gentleman from New York (Chairman GILMAN) as

well as the gentleman from Connecticut (Mr. GEJDENSON), our ranking member, and the entire committee for bringing to us such an important bill.

As has been mentioned, whether in Bangladesh, India, Africa, or some other country of the world, including the United States, microcredit, the assistance to small businesses, primarily women I might add, is the difference between success and failure in so many children's lives.

As has been said earlier, the World Bank reports that 1.2 billion people in the world exist on less than \$1 a day. That is 20 percent of the world's population exist on less than \$1 per day.

This microenterprise legislation provides for the children of these families hope for the future. It provides a way where their parents, in many cases women, can have their own businesses, can earn their own fees and dollars and then send their children to school to receive an adequate education.

I commend the subcommittee, the gentleman from New York (Mr. GILMAN), the chairman of the Committee on International Relations, and all of those who brought this bill to the floor.

I recently returned from overseas and had another first-hand look at some very successful microenterprise operations. They are in fact working. They are the difference between success and failure, not only in the woman's life, who in many cases is the breadwinner, is the nurturer of the family, is the person that instills strength and self-confidence in children, that one can be what one wants to be.

It has been reported that microenterprise, also the loans are repaid at a much higher rate than traditional lending practices; that, not only are the businesses successful, but the pay-back in large measure has been paid back.

So, Mr. Chairman, let us move H.R. 1143 out of this Chamber and to the signature of the President. It is the difference between success and failure. Microenterprising is a tool not only used in this country but in the poorest of the poor countries of the world to say that this is a wonderful world. When we work together, we can save many children's lives and offer them hope for the future.

Ms. LEE. Mr. Chairman, I yield 3 minutes to the gentleman from Virginia (Mr. MORAN).

Mr. MORAN of Virginia. Mr. Chairman, I thank the very distinguished gentlewoman from California (Ms. LEE) for yielding me this time and for leading the debate on our side of the aisle today and for her support for this program.

This is a neat, wonderful concept, and it is something that we can agree on, which also says a lot as well. We ought to be looking for more of these ideas.

It is a testament to the strength of the human spirit, this program. It has taught a couple of things. One is that

poor people would much rather that we give them loans than grants, that we have confidence in their ability to pay money back, that all they really need is a little seed money to get started.

The second thing it teaches us is that the most underused economic resource in this world are the women of the world who have always been doing most of the work but very seldom have they ever had any real control, particularly economic control, over their lives.

So the programs that work are the ones that go out and find the women in the villages that know what is going on and have the fortitude and the determination to provide for their families and give them the resources. Boy, the ideas that they come up with and the kind of effort that they put into these little microenterprise efforts, they are just heartwarming.

It should be known also that these microenterprise banks charge a lot of money in interest, a lot of them, more interest than we would want to pay. Yet, invariably, the vast majority of these loans get paid off. It is just unbelievable what people can do with just a little seed money if given the confidence and the resources.

So I want to thank the gentleman from New York (Mr. GILMAN) and the gentleman from New Jersey (Mr. SMITH) and the gentleman from Nebraska (Mr. BEREUTER) and all the others on the Republican side and certainly the gentleman from Connecticut (Mr. GEJDENSON), our ranking member, and the gentlewoman from California (Ms. LEE), and all of the members of the committee.

We have got a good thing going here. It costs us very little money. The only people that seem to have some reluctance about this is the White House. I read their statement of administration policy, and I cannot really figure out what they are trying to say and what their objection would be. But I am sorry that they do not get fully behind this, because they have done a lot to make microenterprise programs work. They should have endorsed this piece of legislation. But I know that they are going to fully fund it, and they are going to get behind it, particularly USAID, and make it work.

We cannot always control the situations, and we have had some real catastrophes that have prevented people in Third World countries from being able to pay back their loans. Bangladesh comes to mind. So we need some provision to make sure that money is available. This provides that. It ensures that there is going to be this revolving fund available.

This is the right way to do it. We are institutionalizing it. This is going to get a unanimous vote, I hope, and it deserves one. The people of the Third World, to take advantage of this, deserve the little seed money that this provides to them.

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

I would like to thank the gentleman from Virginia (Mr. MORAN) for his kind remarks and also for his acknowledgment and recognition of the competence and the tenacity and the commitment of women to economic development and job creation.

Mr. MORAN of Virginia. Mr. Chairman, if the gentlewoman will yield for just a moment, we men have always known that; it is just seldom that we ever admitted it.

Ms. LEE. Mr. Chairman, I thank the gentleman from Virginia for coming out front and talking about it publicly.

Mr. LANTOS. Mr. Chairman, I urge my colleagues to join me in supporting H.R. 1143, the Microenterprise for Self-Reliance Act of 1999. I support this bill because I have witnessed first-hand the uplifting effects of microcredit on the economic and humanitarian conditions of struggling nations around the world. I have closely monitored its enormously positive influence on women and ethnic minorities, those most likely to face discrimination in creating small businesses and establishing social support networks in their communities. H.R. 1143 would allow these essential developments to continue and expand, aiding the stability of new democracies and enabling all citizens a stake in their future directions.

The microcredit program, more than any other government initiative, is founded on the free market ideals central to America's greatness. By providing small amounts of start-up capital to aspiring entrepreneurs, productive businesses can be established which, in a collective manner, change society for the better. For example, when a woman in a small African nation borrows a few dollars to set up a crafts shop, she does far more than better her family's financial situation. She may create employment opportunities for others in her small community, she may help to break generations of poverty in her town, she may generate income that will allow the creation of even more commerce, she may break down age-old stereotypes of women's social roles, and she may make it possible for untold numbers of women to realize the opportunities provided to her by the blessing of microcredit.

As the distinguished Administrator of the U.S. Agency for International Development (USAID), J. Brian Atwood, explained: "Microenterprise is one of our most effective tools to foster bottom-up growth and to give women an opportunity to make a place for themselves in business and in their communities." For only a minimal investment—few loans exceed \$300, and the return rate is nearly 100 percent—we can peacefully alter centuries of history, one entrepreneur at a time.

H.R. 1143 will strengthen this much-needed program by authorizing increased funds (\$152 million in FY 2000 and \$167 million in FY 2001) and ensuring that at least 50 percent of microenterprise resources be used for poverty lending to the neediest participants in Third World economies. Furthermore, H.R. 1143 would permanently establish two new provisions in law to govern grants and loans, and it would create a loan facility inside USAID to help U.S.-sponsored microfinance institutions survive natural disasters, civil wars, and national financial crises.

I applaud these reforms, and I commend International Relations Committee Chairman BENJAMIN A. GILMAN and Ranking Member

SAM GEJDENSON for their hard work in working out the provisions of this legislation.

Mr. Chairman, I would also like to recognize the extraordinary commitment of First Lady Hillary Rodham Clinton to the microenterprise program. Since the earliest days of the Clinton Presidency, Mrs. Clinton has used her exceptional brilliance and influence to promote this initiative around the world. Long before other opinion leaders understood the importance of targeted microcredit investments, she was proclaiming the benefits of this program for women and families in a host of nations. I would also like to note the impressive contributions of Administrator Atwood in implementing this essential component of our foreign policy.

Mr. Chairman, I urge my colleagues to support H.R. 1143.

Mr. LUTHER. Mr. Chairman, I rise today in support of H.R. 1143, the Microenterprise for Self-Reliance Act of 1999. Microcredit is the process of providing small loans to very poor people at commercial interest rates for the startup or expansion of small business ventures. It has been successful in promoting economic growth and ending the worst aspects of poverty in some of the most destitute places in the world.

Unfortunately, despite its proven track record, microcredit has not been utilized to its full potential. Funding for microcredit within the U.S. Agency for International Development has not kept pace with the growing capacity to lend. Despite the fact that in 1994 USAID set the goal of directing half of overall microenterprise funds to programs serving the poorest people in loans of \$300 or less by the end of 1996, only about 41 percent of these funds are currently reaching this target population.

The Microenterprise for Self-Reliance Act of 1999 calls for \$152 million in fiscal year 2000 and \$167 million in fiscal year 2001 and designates half of all microenterprise funds as loans of \$300 or less for the neediest people in the world. Along with helping the world's poorest people, this legislation increases work skills and improves the economies of the developing nations where microcredit initiatives are in place. Currently, approximately 1.2 billion people—one fifth of the world population—live in extreme poverty. As long as poverty continues to plague so many millions, there will be no lasting peace or stability in our world.

Microcredit is one of the most cost-effective and successful ways to combat poverty and help achieve peace. Therefore, I urge my colleagues to vote for H.R. 1143.

Mr. PORTER. Mr. Speaker, I rise in strong support of this legislation. The concept of microlending has existed for over two decades, created by Muhammed Yunus through the Grameen Bank in Bangladesh. This concept has enjoyed incredible success and has improved the lives of millions of people, especially women. The Grameen Bank has inspired microlending programs in fifty-six other countries and has been copied by 5,000 international institutions. In fact, this system has even been adopted by the Women's Self-Employment Project in Chicago to successfully wean unwed mothers off of welfare.

I am very pleased that the U.S. Congress is not only condoning U.S. participation in the microcredit system but expanding and improving our involvement in these programs with this legislation. I have seen the incredible im-

pact that a small loan can have on a single family in the developing world. A short-term loan of \$75 used to be unaccessible for most people in these countries. However, through the Grameen Bank and bilateral microcredit programs, these loans are now available and becoming more widespread. The reason for this success and expansion is due to the unparalleled rate of repayment. In 1997, the Grameen Bank had a 94 percent repayment rate.

Unfortunately, microcredit programs have been drastically impacted by the recent natural disasters and financial crises in various regions of the world. However, these events should not be interpreted as failures in microcredit programs, but as opportunities for expanding the program. Farmers in Nicaragua are in desperate need of a few dollars to replant their crops. Weavers in Thailand have seen their currency plummet and just need a small amount of investment to keep their fledgling businesses stay afloat. While Grameen Bank loan repayment rates plunged to 68 percent immediately after the floods in Bangladesh last year, these rates rebounded to 88 percent in just a few months. H.R. 1143 will expand these credit programs and provided the cushion necessary to enable the financial institutions and other organizations operating these microcredit programs to help those that are in the most desperate need. This legislation provides some of the important infrastructure programs necessary for many countries struggling from recent crises to move from disaster assistance to economic development.

Mrs. ROUKEMA. Mr. Speaker, I rise in support of H.R. 1143, the "Microenterprise for Self-Reliance Act of 1999." H.R. 1143 would provide vital assistance in the form of credit and other financial services to microentrepreneur programs as part of a global approach to aiding the world's poorest individuals.

Many people in this world rely on self-employment as a necessary means for their livelihood. In this regard, the importance of the role of microentrepreneurs in our global economy cannot be overlooked. The general philosophy of the microenterprise industry is to bring new sources of income to segments of the population where job opportunities are low by providing small amounts of credit to those whom have not had access to commercial credit. Microfinance programs are critical to the fight against hunger and poverty. Such programs are a leveraging tool for decreasing dependence on foreign assistance. H.R. 1143 authorizes grants to support microlending programs in the amount of \$152 million for FY 2000 and \$167 million for FY 2001. Fifty percent of these funds must be used for loans of \$300 or less.

Last year, the Financial Times reported that "though Latin America has moved furthest towards the commercialization of microfinance, it is also commonplace in other developing countries, and the World Bank estimates that more than \$7 billion of microcredit is outstanding."

A report released by the U.N. last year acknowledges the success of microcredit in Latin America and Asia. However, the report states that "it is not clear if the extent to which microcredit has spread, or can potentially spread, can make a major dent in global poverty." The report based this conclusion on the assertion that "the poorest of the poor" are usually "not

in a position to undertake an economic activity partly because they lack business skills and even the motivation for business." While I support H.R. 1143, I make this point for the purpose of impressing upon this Congress the importance of ensuring that the extension of funds to poor microentrepreneurs is in reality contributing to the battle against poverty and hunger.

Innovative ways of bringing economic vitalization to areas of the world that sorely lack any financial sustainability should be a priority for any global financial architecture. H.R. 1143 contributes to that strategy and I urge its passage.

Ms. LEE. Mr. Chairman, I have no further requests for time, and I yield back the balance of my time.

Mr. SMITH of New Jersey. Mr. Chairman, I yield back the balance of my time.

The CHAIRMAN. All time for general debate has expired.

Pursuant to the rule, the bill shall be considered under the 5-minute rule by section, and each section shall be considered read.

During consideration of the bill for amendment, the Chair may accord priority in recognition to a Member offering an amendment that he has printed in the designated place in the CONGRESSIONAL RECORD. Those amendments will be considered read.

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 designate section 1.

The text of section 1 is as follows:

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

SECTION 1. SHORT TITLE.

This Act may be cited as the "Microenterprise for Self-Reliance Act of 1999".

Mr. SMITH of New Jersey. Mr. Chairman, I ask unanimous consent that the remainder of the bill be printed in the RECORD, and open to amendment at any point.

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

There was no objection.

The text of the remainder of the bill is as follows:

SEC. 2. FINDINGS AND DECLARATIONS OF POLICY.

The Congress makes the following findings and declarations:

(1) According to the World Bank, more than 1,200,000,000 people in the developing world, or one-fifth of the world's population, subsist on less than \$1 a day.

(2) Over 32,000 of their children die each day from largely preventable malnutrition and disease.

(3)(A) Women in poverty generally have larger work loads and less access to educational and economic opportunities than their male counterparts.

(B) Directly aiding the poorest of the poor, especially women, in the developing world has a positive effect not only on family incomes, but also on child nutrition, health

and education, as women in particular reinvest income in their families.

(4)(A) The poor in the developing world, particularly women, generally lack stable employment and social safety nets.

(B) Many turn to self-employment to generate a substantial portion of their livelihood. In Africa, over 80 percent of employment is generated in the informal sector of the self-employed poor.

(C) These poor entrepreneurs are often trapped in poverty because they cannot obtain credit at reasonable rates to build their asset base or expand their otherwise viable self-employment activities.

(D) Many of the poor are forced to pay interest rates as high as 10 percent per day to money lenders.

(5)(A) The poor are able to expand their incomes and their businesses dramatically when they can access loans at reasonable interest rates.

(B) Through the development of self-sustaining microfinance programs, poor people themselves can lead the fight against hunger and poverty.

(6)(A) On February 2-4, 1997, a global Microcredit Summit was held in Washington, District of Columbia, to launch a plan to expand access to credit for self-employment and other financial and business services to 100,000,000 of the world's poorest families, especially the women of those families, by 2005. While this scale of outreach may not be achievable in this short time-frame, the realization of this goal could dramatically alter the face of global poverty.

(B) With an average family size of five, achieving this goal will mean that the benefits of microfinance will thereby reach nearly half of the world's more than 1,000,000,000 absolute poor people.

(7)(A) Nongovernmental organizations, such as those that comprise the Microenterprise Coalition (such as the Grameen Bank (Bangladesh), K-REP (Kenya), and networks such as Accion International, the Foundation for International Community Assistance (FINCA), and the credit union movement) are successful in lending directly to the very poor.

(B) Microfinance institutions such as BRAC (Bangladesh), BancoSol (Bolivia), SEWA Bank (India), and ACEP (Senegal) are regulated financial institutions that can raise funds directly from the local and international capital markets.

(8)(A) Microenterprise institutions not only reduce poverty, but also reduce the dependency on foreign assistance.

(B) Interest income on the credit portfolio is used to pay recurring institutional costs, assuring the long-term sustainability of development assistance.

(9) Microfinance institutions leverage foreign assistance resources because loans are recycled, generating new benefits to program participants.

(10)(A) The development of sustainable microfinance institutions that provide credit and training, and mobilize domestic savings, are critical components to a global strategy of poverty reduction and broad-based economic development.

(B) In the efforts of the United States to lead the development of a new global financial architecture, microenterprise should play a vital role. The recent shocks to international financial markets demonstrate how the financial sector can shape the destiny of nations. Microfinance can serve as a powerful tool for building a more inclusive financial sector which serves the broad majority of the world's population including the very poor and women and thus generate more social stability and prosperity.

(C) Over the last two decades, the United States has been a global leader in promoting

the global microenterprise sector, primarily through its development assistance programs at the United States Agency for International Development. Additionally, the United States Department of the Treasury and the Department of State have used their authority to promote microenterprise in the development programs of international financial institutions and the United Nations.

(11)(A) In 1994, the United States Agency for International Development launched the "Microenterprise Initiative" in partnership with the Congress.

(B) The initiative committed to expanding funding for the microenterprise programs of the Agency, and set a goal that, by the end of fiscal year 1996, half of all microenterprise resources would support programs and institutions that provide credit to the poorest, with loans under \$300.

(C) In order to achieve the goal of the microcredit summit, increased investment in microcredit institutions serving the poorest will be critical.

(12) Providing the United States share of the global investment needed to achieve the goal of the microcredit summit will require only a small increase in United States funding for international microcredit programs, with an increased focus on institutions serving the poorest.

(13)(A) In order to reach tens of millions of the poorest with microcredit, it is crucial to expand and replicate successful microcredit institutions.

(B) These institutions need assistance in developing their institutional capacity to expand their services and tap commercial sources of capital.

(14) Nongovernmental organizations have demonstrated competence in developing networks of local microfinance institutions and other assistance delivery mechanisms so that they reach large numbers of the very poor, and achieve financial sustainability.

(15) Recognizing that the United States Agency for International Development has developed very effective partnerships with nongovernmental organizations, and that the Agency will have fewer missions to carry out its work, the Agency should place priority on investing in those nongovernmental network institutions that meet performance criteria through the central funding mechanisms of the Agency.

(16) By expanding and replicating successful microcredit institutions, it should be possible to create a global infrastructure to provide financial services to the world's poorest families.

(17)(A) The United States can provide leadership to other bilateral and multilateral development agencies as such agencies expand their support to the microenterprise sector.

(B) The United States should seek to improve coordination among G-7 countries in the support of the microenterprise sector in order to leverage the investment of the United States with that of other donor nations.

(18) Through increased support for microenterprise, especially credit for the poorest, the United States can continue to play a leadership role in the global effort to expand financial services and opportunity to 100,000,000 of the poorest families on the planet.

SEC. 3. PURPOSES.

The purposes of this Act are—

(1) to make microenterprise development an important element of United States foreign economic policy and assistance;

(2) to provide for the continuation and expansion of the commitment of the United States Agency for International Development to the development of microenterprise institutions as outlined in its 1994 Microenterprise Initiative;

(3) to support and develop the capacity of United States and indigenous nongovernmental organization intermediaries to provide credit, savings, training and technical services to microentrepreneurs;

(4) to increase the amount of assistance devoted to credit activities designed to reach the poorest sector in developing countries, and to improve the access of the poorest, particularly women, to microenterprise credit in developing countries; and

(5) to encourage the United States Agency for International Development to coordinate microfinance policy, in consultation with the Department of the Treasury and the Department of State, and to provide global leadership in promoting microenterprise for the poorest among bilateral and multilateral donors.

SEC. 4. MICROENTERPRISE DEVELOPMENT GRANT ASSISTANCE.

Chapter 1 of part I of the Foreign Assistance Act of 1961 (22 U.S.C. 2151 et seq.) is amended—

(1) by redesignating the second section 129 (as added by section 4 of the Torture Victims Relief Act of 1998 (Public Law 105-320)) as section 130; and

(2) by adding at the end the following new section:

SEC. 131. MICROENTERPRISE DEVELOPMENT GRANT ASSISTANCE.

“(a) FINDINGS AND POLICY.—The Congress finds and declares that—

“(I) the development of microenterprise is a vital factor in the stable growth of developing countries and in the development of free, open, and equitable international economic systems;

“(2) it is therefore in the best interest of the United States to assist the development of microenterprises in developing countries; and

“(3) the support of microenterprise can be served by programs providing credit, savings, training, and technical assistance.

“(b) AUTHORIZATION.—(1) In carrying out this part, the President is authorized to provide grant assistance for programs to increase the availability of credit and other services to microenterprises lacking full access to capital and training through—

“(A) grants to microfinance institutions for the purpose of expanding the availability of credit, savings, and other financial services to microentrepreneurs;

“(B) training, technical assistance, and other support for microenterprises to enable them to make better use of credit, to better manage their enterprises, and to increase their income and build their assets;

“(C) capacity building for microfinance institutions in order to enable them to better meet the credit and training needs of microentrepreneurs; and

“(D) policy and regulatory programs at the country level that improve the environment for microfinance institutions that serve the poor and very poor.

“(2) Assistance authorized under paragraph (1) shall be provided through organizations that have a capacity to develop and implement microenterprise programs, including particularly—

“(A) United States and indigenous private and voluntary organizations;

“(B) United States and indigenous credit unions and cooperative organizations;

“(C) other indigenous governmental and nongovernmental organizations; or

“(D) business development services, including indigenous craft programs.

“(3) In carrying out sustainable poverty-focused programs under paragraph (1), 50 percent of all microenterprise resources shall be used for direct support of programs under this subsection through practitioner institutions that provide credit and other financial

services to the poorest with loans of \$300 or less in 1995 United States dollars and can cover their costs of credit programs with revenue from lending activities or that demonstrate the capacity to do so in a reasonable time period.

“(4) The President should continue support for central mechanisms and missions that—

“(A) provide technical support for field missions;

“(B) strengthen the institutional development of the intermediary organizations described in paragraph (2);

“(C) share information relating to the provision of assistance authorized under paragraph (1) between such field missions and intermediary organizations; and

“(D) support the development of nonprofit global microfinance networks, including credit union systems, that—

“(i) are able to deliver very small loans through a vast grassroots infrastructure based on market principles; and

“(ii) act as wholesale intermediaries providing a range of services to microfinance retail institutions, including financing, technical assistance, capacity building and safety and soundness accreditation.

“(5) Assistance provided under this subsection may only be used to support microenterprise programs and may not be used to support programs not directly related to the purposes described in paragraph (1).

“(c) MONITORING SYSTEM.—In order to maximize the sustainable development impact of the assistance authorized under subsection (a)(1), the Administrator of the United States Agency for International Development shall establish a monitoring system that—

“(1) establishes performance goals for such assistance and expresses such goals in an objective and quantifiable form, to the extent feasible;

“(2) establishes performance indicators to be used in measuring or assessing the achievement of the goals and objectives of such assistance;

“(3) provides a basis for recommendations for adjustments to such assistance to enhance the sustainable development impact of such assistance, particularly the impact of such assistance on the very poor, particularly poor women; and

“(4) provides a basis for recommendations for adjustments to measures for reaching the poorest of the poor, including proposed legislation containing amendments to improve paragraph (3).

“(d) AUTHORIZATION OF APPROPRIATIONS.—

“(1) IN GENERAL.—(A) There are authorized to be appropriated \$152,000,000 for fiscal year 2000 and \$167,000,000 for fiscal year 2001 to carry out this section.

“(B) Amounts appropriated pursuant to the authorization of appropriations under subparagraph (A) are authorized to remain available until expended.

“(2) RULE OF CONSTRUCTION.—Amounts authorized to be appropriated under paragraph (1) are in addition to amounts otherwise available to carry out this section.”.

SEC. 5. MICRO- AND SMALL ENTERPRISE DEVELOPMENT CREDITS.

Section 108 of the Foreign Assistance Act of 1961 (22 U.S.C. 2151) is amended to read as follows:

“SEC. 108. MICRO- AND SMALL ENTERPRISE DEVELOPMENT CREDITS.

“(a) FINDINGS AND POLICY.—The Congress finds and declares that—

“(1) the development of micro- and small enterprises are a vital factor in the stable growth of developing countries and in the development and stability of a free, open, and equitable international economic system; and

“(2) it is, therefore, in the best interests of the United States to assist the development of the enterprises of the poor in developing countries and to engage the United States private sector in that process.

“(b) PROGRAM.—To carry out the policy set forth in subsection (a), the President is authorized to provide assistance to increase the availability of credit to micro- and small enterprises lacking full access to credit, including through—

“(1) loans and guarantees to credit institutions for the purpose of expanding the availability of credit to micro- and small enterprises;

“(2) training programs for lenders in order to enable them to better meet the credit needs of microentrepreneurs; and

“(3) training programs for microentrepreneurs in order to enable them to make better use of credit and to better manage their enterprises.

“(c) ELIGIBILITY CRITERIA.—The Administrator of the United States Agency for International Development shall establish criteria for determining which entities described in subsection (b) are eligible to carry out activities, with respect to micro- and small enterprises, assisted under this section. Such criteria may include the following:

“(1) The extent to which the recipients of credit from the entity do not have access to the local formal financial sector.

“(2) The extent to which the recipients of credit from the entity are among the poorest people in the country.

“(3) The extent to which the entity is oriented toward working directly with poor women.

“(4) The extent to which the entity recovers its cost of lending to the poor.

“(5) The extent to which the entity implements a plan to become financially sustainable.

“(d) ADDITIONAL REQUIREMENT.—Assistance provided under this section may only be used to support micro- and small enterprise programs and may not be used to support programs not directly related to the purposes described in subsection (b).

“(e) AUTHORIZATION OF APPROPRIATIONS.—

“(1) IN GENERAL.—(A) There are authorized to be appropriated \$1,500,000 for each of the fiscal years 2000 and 2001 to carry out this section.

“(B) Amounts authorized to be appropriated under subparagraph (A) shall be made available for the subsidy cost, as defined in section 502(5) of the Federal Credit Reform Act of 1990, for activities under this section.

“(2) ADMINISTRATIVE EXPENSES.—There are authorized to be appropriated \$500,000 for each of the fiscal years 2000 and 2001 for the cost of administrative expenses in carrying out this section.

“(3) RULE OF CONSTRUCTION.—Amounts authorized to be appropriated under this subsection are in addition to amounts otherwise available to carry out this section.”.

SEC. 6. MICROFINANCE LOAN FACILITY.

Chapter 1 of part 1 of the Foreign Assistance Act of 1961 (22 U.S.C. 2151 et seq.), as amended by this Act, is further amended by adding the following new section:

“SEC. 132. UNITED STATES MICROFINANCE LOAN FACILITY.

“(a) ESTABLISHMENT.—The Administrator of the United States Agency for International Development is authorized to establish a United States Microfinance Loan Facility (hereinafter in this section referred to as the ‘Facility’) to pool and manage the risk from natural disasters, war or civil conflict, national financial crisis, or short-term financial movements that threaten the long-

term development of United States-supported microfinance institutions.

“(b) SUPERVISORY BOARD OF THE FACILITY.—(1) The Facility shall be supervised by a board composed of the following representatives appointed by the President not later than 180 days after the date of the enactment of Microenterprise for Self-Reliance Act of 1999:

“(A) 1 representative from the Department of the Treasury.

“(B) 1 representative from the Department of State.

“(C) 1 representative from the United States Agency for International Development.

“(D)(i) 2 United States citizens from United States nongovernmental organizations that operate United States-sponsored microfinance activities.

“(ii) Individuals described in clause (i) shall be appointed for a term of 2 years.

“(2) The Administrator of the United States Agency for International Development or his designee shall serve as Chairman and an additional voting member of the board.

“(c) DISBURSEMENTS.—(1) The board shall make disbursements from the Facility to United States-sponsored microfinance institutions to prevent the bankruptcy of such institutions caused by (A) natural disasters, (B) national wars or civil conflict, and (C) national financial crisis or other short term financial movements that threaten the long-term development of United States-supported microfinance institutions. Such disbursements shall be made as concessional loans that are repaid maintaining the real value of the loan to microfinance institutions that demonstrate the capacity to resume self-sustained operations within a reasonable time period. The Facility shall provide for loan losses with each loan disbursed.

“(2) During each of the fiscal years 2001 and 2002, funds may not be made available from the Facility until 15 days after notification of the availability has been provided to the congressional committees specified in section 634A of this Act in accordance with the procedures applicable to reprogramming notifications under that section.

“(d) REPORT.—Not later than 60 days after the date on which the last representative to the board is appointed pursuant to subsection (b), the chairman of the board shall prepare and submit to the appropriate congressional committees a report on the policies, rules, and regulations of the Facility.

“(e) FUNDING.—(1) Not more than \$5,000,000 of amounts made available to carry out sections 103 through 106 of this Act for each of the fiscal years 2000 and 2001 may be made available to carry out this section for each such fiscal year.

“(2) Amounts made available under paragraph (1) are in addition to amounts available under other provisions of law to carry out this section.

“(f) DEFINITIONS.—In this section:

“(i) APPROPRIATE CONGRESSIONAL COMMITTEES.—The term ‘appropriate congressional committees’ means the Committee on International Relations of the House of Representatives and the Committee on Foreign Relations of the Senate.

“(2) UNITED STATES-SUPPORTED MICROFINANCE INSTITUTION.—The term ‘United States-supported microfinance institution’ means a financial intermediary that has received funds made available under this Act for fiscal year 1980 and each subsequent fiscal year.”.

SEC. 7. REPORT RELATING TO FUTURE DEVELOPMENT OF MICROFINANCE INSTITUTIONS.

“(a) REPORT.—Not later than 180 days after the date of the enactment of this Act, the

President, in consultation with the Administrator of the United States Agency for International Development, the Secretary of State, and the Secretary of the Treasury, shall prepare and transmit to the appropriate congressional committees a report on the most cost-effective methods for increasing the access of poor people to credit, other financial services, and related training.

(b) CONTENTS.—The report described in subsection (a)—

(1) should include how the President, in consultation with the Administrator of the United States Agency for International Development, the Secretary of State, and the Secretary of the Treasury, will jointly develop a comprehensive strategy for advancing the global microenterprise sector in a way that maintains market principles while assuring that the very poor, particularly women, obtain access to financial services; and

(2) shall provide guidelines and recommendations for—

(A) instruments to assist microenterprise networks to develop multi-country and regional microlending programs;

(B) technical assistance to foreign governments, foreign central banks and regulatory entities to improve the policy environment for microfinance institutions, and to strengthen the capacity of supervisory bodies to supervise microcredit institutions;

(C) the potential for federal chartering of United States-based international microfinance network institutions, including proposed legislation;

(D) instruments to increase investor confidence in microcredit institutions which would strengthen the long-term financial position of the microcredit institutions and attract capital from private sector entities and individuals, such as a rating system for microcredit institutions and local credit bureaus;

(E) an agenda for integrating microfinance into United States foreign policy initiatives seeking to develop and strengthen the global finance sector; and

(F) innovative instruments to attract funds from the capital markets, such as instruments for leveraging funds from the local commercial banking sector, and the securitization of microloan portfolios.

(c) APPROPRIATE CONGRESSIONAL COMMITTEES DEFINED.—In this section, the term “appropriate congressional committees” means the Committee on International Relations of the House of Representatives and the Committee on Foreign Relations of the Senate.

SEC. 8. UNITED STATES AGENCY FOR INTERNATIONAL DEVELOPMENT AS GLOBAL LEADER AND COORDINATOR OF BILATERAL AND MULTILATERAL MICROENTERPRISE ASSISTANCE ACTIVITIES.

(a) FINDINGS AND POLICY.—The Congress finds and declares that—

(1) the United States can provide leadership to other bilateral and multilateral development agencies as such agencies expand their support to the microenterprise sector; and

(2) the United States should seek to improve coordination among G-7 countries in the support of the microenterprise sector in order to leverage the investment of the United States with that of other donor nations.

(b) SENSE OF THE CONGRESS.—It is the sense of the Congress that—

(1) the Administrator of the United States Agency for International Development and the Secretary of State should seek to support and strengthen the effectiveness of microfinance activities in United Nations agencies, such as the International Fund for

Agricultural Development (IFAD) and the United Nations Development Program (UNDP), which have provided key leadership in developing the microenterprise sector; and

(2) the Secretary of the Treasury should instruct each United States Executive Director of the Multilateral Development Banks (MDBs) to advocate the development of a coherent and coordinated strategy to support the microenterprise sector and an increase of multilateral resource flows for the purposes of building microenterprise retail and wholesale intermediaries.

The CHAIRMAN. Are there any amendments?

AMENDMENT OFFERED BY MR. SMITH OF NEW JERSEY

Mr. SMITH of New Jersey. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. SMITH of New Jersey:

Page 3, beginning on line 22, strike “While this scale” and all that follows through line 25.

Page 17, line 15, strike “part 1” and insert “part I”.

Page 19, line 2, strike “, and” and insert “, or”.

Page 19, after line 16, insert the following:

“(d) GENERAL PROVISIONS.—

“(1) POLICY PROVISIONS.—In providing the credit assistance authorized by this section, the board should apply, as appropriate, the policy provisions in this part applicable to development assistance activities.

“(2) DEFAULT AND PROCUREMENT PROVISIONS.—

“(A) DEFAULT PROVISION.—The provisions of section 620(q) of this Act, or any comparable provisions of law, shall not be construed to prohibit assistance to a country in the event that a private sector recipient of assistance furnished under this section is in default in its payment to the United States for the period specified in such section.

“(B) PROCUREMENT PROVISION.—Assistance may be provided under this section without regard to section 604(a) of this Act.

“(3) TERMS AND CONDITIONS OF CREDIT ASSISTANCE.—(A) Credit assistance provided under this section shall be offered on such terms and conditions, including fees charged, as the board may determine.

“(B) The principal amount of loans made or guaranteed under this section in any fiscal year, with respect to any single borrower, may not exceed \$30,000,000.

“(C) No payment may be made under any guarantee issued under this section for any loss arising out of fraud or misrepresentation for which the party seeking payment is responsible.

“(4) FULL FAITH AND CREDIT.—All guarantees issued under this section shall constitute obligations, in accordance with the terms of such guarantees, of the United States of America and the full faith and credit of the United States of America is hereby pledged for the full payment and performance of such obligations to the extent of the guarantee.

Page 19, line 17, strike “(d)” and insert “(e)”.

Page 19, strike line 23 and all that follows through line 5 on page 20 and insert the following:

“(f) FUNDING.—(1)(A) Of the amounts made available to carry out this part for each of the fiscal years 2000 and 2001, up to \$5,000,000 may be made available for—

“(i) the subsidy cost, as defined in section 502(5) of the Federal Credit Reform Act of 1990, to carry out this section; and

“(ii) subject to subparagraph (B), the cost of administrative expenses to carry out this section.

“(B) Of the amount made available under subparagraph (A) to carry out this section for a fiscal year, not more than \$500,000 may be made available for administrative expenses under subparagraph (A)(ii).

“(2) Amounts made available under paragraph (1) are in addition to amounts available under any other provision of law to carry out this section.

Page 20, line 6, strike “(f)” and insert “(g)”.

Page 20, line 16, strike “and each” and insert “or any”.

Mr. SMITH of New Jersey (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

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

There was no objection.

Mr. SMITH of New Jersey. Mr. Chairman, this is an amendment that was crafted in conjunction with the gentleman from Connecticut (Mr. GEJDENSON) and the administration to fund the microfinance loan facility.

The amendment provides that up to \$5 million may be used to leverage up to \$30 million to rescue a U.S.-supported microenterprise institution whose financial situation has been undermined by natural catastrophes or other events out of the control of that institution.

We have seen key microfinance institutions undermined in Bangladesh and Central America where it is hard to run a bank after all your clients have been killed or made homeless by a flood or by a hurricane. With the ad hoc rescue packages we have assembled in the past, we have been able to not only prevent the collapse of U.S.-backed microfinance institutions, but to turn them into lending agents of the recovery process, especially in Honduras.

This amendment would help create a microfinance loan facility to ensure that we no longer have to put together ad hoc packages to rescue such institutions. I think it is a good amendment, and I hope it has the full support of the Chamber.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New Jersey (Mr. SMITH).

The amendment was agreed to.

The CHAIRMAN. Are there other amendments?

If not, under the rule, the Committee rises.

□ 1245

Accordingly, the Committee rose; and the Speaker pro tempore (Mr. LEWIS of Kentucky) having assumed the chair, Mr. EWING, 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. 1143) to establish a program to provide assistance for programs of credit and other financial services for microenterprises in developing countries, and for other purposes, pursuant to House Resolution

136, he reported the bill back to the House with an amendment adopted by the Committee of the Whole.

The SPEAKER pro tempore. Under the rule, the previous question is ordered.

The question is on the amendment.

The amendment was agreed to.

The bill was ordered to be engrossed and read a third time, and was read the third time, and passed, and a motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. SMITH of New Jersey. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on H.R. 1143, the bill just passed.

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

There was no objection.

RECESS

The SPEAKER pro tempore. Pursuant to clause 12 of rule I, the Chair declares the House in recess until approximately 1:15 p.m.

Accordingly (at 12 o'clock and 47 minutes p.m.), the House stood in recess until approximately 1:15 p.m.

□ 1337

AFTER RECESS

The recess having expired, the House was called to order by the Speaker pro tempore (Mr. EVERETT) at 1 o'clock and 37 minutes p.m.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. Pursuant to clause 8 of rule XX, the Chair will now put the question on each motion to suspend the rules on which further proceedings were postponed earlier today in the order in which that motion was entertained.

Votes will be taken in the following order: H.R. 46 by the yeas and nays, and H.Con.Res. 35 by the yeas and nays.

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

PUBLIC SAFETY OFFICER MEDAL OF VALOR ACT OF 1999

The SPEAKER pro tempore. The pending business is the question of suspending the rules and passing the bill, H.R. 46.

The Clerk read the title of the bill.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Florida (Mr. MCCOLLUM) that the House suspend the rules and pass the bill, H.R. 46, on which the yeas and nays are ordered.

The vote was taken by electronic device, and there were—yeas 412, nays 2, not voting 19, as follows:

[Roll No. 81]

YEAS—412

Abercrombie	Doggett	Kelly
Ackerman	Dooley	Kennedy
Allen	Doolittle	Kildee
Andrews	Doyle	Kilpatrick
Archer	Dreier	King (WI)
Bachus	Duncan	King (NY)
Baird	Dunn	Kingston
Baker	Edwards	Kleczka
Baldacci	Ehlers	Klink
Baldwin	Ehrlich	Knollenberg
Ballenger	Emerson	Kolbe
Barcia	Engel	Kucinich
Barr	English	Kuykendall
Barrett (NE)	Eshoo	LaFalce
Barrett (WI)	Etheridge	LaHood
Bartlett	Evans	Lampson
Barton	Everett	Larson
Bass	Ewing	Latham
Bateman	Farr	LaTourette
Becerra	Fattah	Lazio
Bentsen	Filner	Leach
Bereuter	Fletcher	Lee
Berkley	Foley	Levin
Berman	Forbes	Lewis (CA)
Berry	Ford	Lewis (GA)
Biggert	Fossella	Lewis (KY)
Bilbray	Fowler	Linder
Bilirakis	Frank (MA)	Lipinski
Bishop	Franks (NJ)	LoBiondo
Blagojevich	Frelinghuysen	Lofgren
Biley	Frost	Lowey
Blumenauer	Gallegly	Lucas (KY)
Blunt	Ganske	Lucas (OK)
Boehlert	Gejdenson	Luther
Boehner	Gekas	Maloney (CT)
Bonilla	Gephardt	Maloney (NY)
Bonior	Gibbons	Manzullo
Bono	Gilchrest	Markey
Borski	Gillmor	Martinez
Boswell	Gilman	Mascara
Boucher	Gonzalez	Matsui
Boyd	Goode	McCarthy (MO)
Brady (PA)	Goodlatte	McCarthy (NY)
Brady (TX)	Goodling	McCullum
Brown (OH)	Gordon	McCrary
Bryant	Graham	McDermott
Burr	Granger	McGovern
Burton	Green (TX)	McHugh
Buyer	Green (WI)	McInnis
Callahan	Greenwood	McIntosh
Calvert	Gutierrez	McIntyre
Camp	Gutknecht	McKeon
Campbell	Hall (OH)	McKinney
Canady	Hall (TX)	McNulty
Cannon	Hansen	Meehan
Capps	Hastings (WA)	Meek (FL)
Capuano	Hayes	Meeks (NY)
Cardin	Hayworth	Menendez
Castle	Heffley	Metcalf
Chabot	Herger	Mica
Chambliss	Hill (IN)	Millender-
Chenoweth	Hill (MT)	McDonald
Clay	Hilleary	Miller (FL)
Clayton	Hilliard	Miller, Gary
Clement	Hinchey	Miller, George
Clyburn	Hinojosa	Minge
Coble	Hobson	Mink
Coburn	Hoefel	Moakley
Collins	Holden	Mollohan
Combest	Holt	Moore
Condit	Hooley	Moran (KS)
Conyers	Horn	Moran (VA)
Cook	Hostettler	Morella
Costello	Houghton	Murtha
Cox	Hoyer	Myrick
Coyne	Hulshof	Nadler
Cramer	Hunter	Napolitano
Crane	Hutchinson	Neal
Crowley	Hyde	Nethercutt
Cubin	Inslee	Ney
Cummings	Isakson	Northup
Cunningham	Istook	Norwood
Danner	Jackson (IL)	Nussle
Davis (FL)	Jackson-Lee (TX)	Obey
Davis (VA)	Jefferson	Olver
DeFazio	Jenkins	Ortiz
DeGette	John	Ose
Delahunt	Johnson (CT)	Owens
DeLauro	Johnson, E. B.	Oxley
Deutsch	Johnson, Sam	Packard
Diaz-Balart	Jones (NC)	Pallone
Dickey	Jones (OH)	Pascrall
Dicks	Karjorski	Pastor
Dingell	Kaptur	Payne
Dixon	Kasich	Pease

Peterson (MN)
Peterson (PA)

Scarborough
Schaffer

Schakowsky
Scott

Sensenbrenner
Serrano

Sessions
Shadegg

Pombo
Pomeroy

Porter
Portman

Price (NC)
Sherwood

Shimkus
Shaw

Shows
Shays

Thune
Sherman

Tiaht
Toomey

Udall (CO)
Udall (NM)

Upton
Velazquez

Visclosky
Walden

Watts (OK)
Walsh

Wamp
Watkins

Watkins
Watt (NC)

Watt (NC)
Watts (OK)

Waxman
Weiner

Weldon (FL)
Weldon (PA)

Weller
Weygand

Whitfield
Strickland

Wicker
Stump

Wilson
Stabenow

Wise
Stark

Wolfe
Sternholm

Woolsey
Rangel

Wu
Tierney

Wynn
Wexler

Young (AK)
Young (FL)

NOT VOTING—19

Paul

Sanford

Aderholt
Armeny

Brown (CA)
Brown (FL)

Carson
Cooksey

Davis (IL)

DeLay
DeMint

Goss
Hastings (FL)

Hoekstra
Lantos

Largent

□ 1401

So (two-thirds having voted in favor thereof) the rules were suspended and the bill was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

Stated for:

Mr. GOSS. Mr. Speaker, on rollcall No. 81, I was inadvertently detained. Had I been present, I would have voted "yes."

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore (Mr. EVERETT). Pursuant to the provisions of clause 8 of rule XX, the Chair announces that he will reduce to a minimum of 5 minutes the period of time within which a vote by electronic device may be taken on the additional motion to suspend the rules on which the Chair has postponed further proceedings.

CONGRATULATING QATAR FOR COMMITMENT TO DEMOCRATIC IDEALS AND WOMEN'S SUFFRAGE

The SPEAKER pro tempore. The pending business is the question of suspending the rules and agreeing to the