105TH CONGRESS } HOUSE OF REPRESENTATIVES { REPORT
2d Session } { 105–470

MAKING SUPPLEMENTAL APPROPRIATIONS AND RESCISSIONS FOR THE FISCAL YEAR ENDING SEPTEMBER 30, 1998, AND FOR OTHER PURPOSES

MARCH 27, 1998.—Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

Mr. LIVINGSTON, from the Committee on Appropriations, submitted the following

REPORT

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DISSENTING VIEWS

[To accompany H.R. 3580]

The Committee on Appropriations submits the following report in explanation of the accompanying bill making supplemental appropriations and rescissions for the fiscal year ending September 30, 1998, and for other purposes.

BILL HIGHLIGHTS

The bill recommended by the Committee includes $17,900,000,000 for the International Monetary Fund. This amount is made up of $3,400,000,000 for loans to the International Monetary Fund and $14,500,000,000 for the United States quota, International Monetary Fund. The bill also includes $505,000,000 for payment of arrearages to the United Nations. This amount is made up of $475,000,000 of advance fiscal year 1999 appropriations and $30,000,000 of advanced fiscal year 2000 appropriations. Also included in the bill is a mandatory appropriation of $550,000,000 for veterans compensation and pensions. Finally, the bill includes $134,003,000 for regular non-defense discretionary appropriations which are fully offset.

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TITLE I—SUPPLEMENTAL APPROPRIATIONS

CHAPTER 1

DEPARTMENT OF AGRICULTURE

OFFICE OF THE SECRETARY

The Secretary of Agriculture currently has the authority to compensate individuals and other persons for economic losses associated with the presence of karnal bunt in wheat. Current law only permits compensation for individuals who suffer losses due to the actual presence of karnal bunt. Individuals who suffer economic losses due to lengthy USDA quarantines, but where there is not presence of karnal bunt are not eligible for compensation. This provision allows the Secretary to establish a program to compensate individuals for economic losses when the quarantine itself caused the economic loss.

DEPARTMENTAL ADMINISTRATION

The Committee provides $4,300,000 for Departmental Administration activities. Of the funds provided, $1,900,000 will be used for resource management, real and personal property management, procurement and contracting support and other administrative functions. Also, $2,400,000 of the additional funds will be used to increase civil rights activities for the Department's personnel function, conflict resolution, and outreach. The Committee does not concur with additional funds for an advisory committee, but expects that if the Department establishes a new advisory committee, to do so within existing limitations.

OFFICE OF THE GENERAL COUNSEL

The Committee provides an increase of $235,000 for the Office of the General Counsel. These funds would be used for increased processing and adjudication of civil rights complaints brought by both employees and applicants for employment in the Department, as well as by individuals who allege violations of their civil rights in programs administered by the Department.

FARM SERVICE AGENCY

AGRICULTURAL CREDIT INSURANCE FUND PROGRAM ACCOUNT

The Committee provides an additional $39,448,000 for direct farm ownership loans, $25,000,000 for guaranteed farm ownership loans, $9,528,000 for direct farm operating loans, $40,000,000 for guaranteed subsidized farm operating loans, and $18,814,000 for boll weevil eradication loans. The Committee is aware of a backlog of applications for most ownership and operating loan programs and accordingly provides additional funds.

FOOD AND NUTRITION SERVICE

FOOD STAMP PROGRAM

The Committee includes language to allow Food Stamp Program Employment and Training funds to remain available until expended.

DEPARTMENT OF HEALTH AND HUMAN SERVICES

FOOD AND DRUG ADMINISTRATION

The Committee provides language to allow the Food and Drug Administration to collect and spend $15,596,000. Subsequent to passage of the fiscal year 1998 Appropriations Bill, there was a change in the authorized amount of Prescription Drug User Fees allowed for collections. The provision allows collection and expenditure of the authorized amount.

CHAPTER 2

DEPARTMENT OF STATE

INTERNATIONAL ORGANIZATIONS AND CONFERENCES

ARREARAGE PAYMENTS

The Committee recommends supplemental funding of $505,000,000 for payment of peacekeeping arrearages to the United Nations, of which $475,000,000 is an advance appropriation for fiscal year 1999 and $30,000,000 is an advance appropriation for fiscal year 2000. This compares with a supplemental request of $921,000,000 for payment of arrearages for international organization and peacekeeping assessments to the United Nations as well as 45 other international organizations, of which $475,000,000 was requested as an advance appropriation for fiscal year 1999 and $446,000,000 was requested as an advance appropriation for fiscal year 2000. The Committee recommendation makes the expenditure of funds subject to enactment of authorization legislation, which will set forth the reform conditions that will be required to be met, and also assures that none of these funds, which are intended for payment of arrearages to the United Nations, will be expended until the United States' assessment for the United Nations regular budget is reduced to 22 percent and the peacekeeping assessment is capped at 25 percent.

The Committee recommendation provides the balance of funds necessary to pay what the State Department has indicated is the amount the United States owes to the United Nations. Of the total funding of $1,021,000,000 requested by the Administration for payment of arrearages in the fiscal year 1998 appropriations bill and in this supplemental, $712,000,000 was justified as the amount owed to the United Nations ($54,000,000 for regular budget arrearages and the balance for peacekeeping), and $309,000,000 was justified as the amount owed to 45 other international organizations. The $505,000,000 recommended in this bill, together with the $100,000,000 provided in the regular fiscal year 1998 appropriations bill, and a provision in the pending State Department authorization bill allowing $107,000,000 owed by the United Nations to the United States to be credited against U.S. arrearages to the United Nations, will result in the full $712,000,000 sought by the Administration for United Nations arrearages being made available.

The recommendation to provide advance funding is based on the Administration's representation that these funds are necessary to assure that the United Nations will act in May to reduce the United States assessment rate for both the regular budget and peacekeeping, one of the reforms currently being sought by the United States. The Committee is not aware of any similar rationale for providing an advance appropriation at this time for payment of arrearages to the 45 other organizations, and believes that the arrearages to those organizations can be considered in the regular order.

The Administration's request did not condition the release of the arrearage funding on achievement of any reforms, despite the Administration's stated position that arrearages should be funded only if real and substantial reforms at the United Nations are achieved. In order to assure that real and substantial reforms are achieved prior to payment of arrearage funding, the Committee has recommended that these funds become available upon enactment of an authorization that spells out what reforms need to be put in place as a condition for the release of these funds. In addition, to be sure that assessment reductions are part of the reforms that will be put into place, the Committee has also explicitly required assessment reductions as one reform that specifically needs to be achieved prior to the release of these funds.

CHAPTER 3

DEPARTMENT OF ENERGY

Departmental Administration

The Committee recommendation includes a provision which would provide the Department of Energy the authority to increase the cost of work for others program within the Departmental Administration account by $5,408,000 as long as the increased costs are offset by revenue increases of the same or greater amount. The additional work will occur in the Department's foreign research reactor spent nuclear fuel program during fiscal year 1998. Spent nuclear fuel elements that the United States previously provided to foreign nations as energy sources are received and managed at the Department's Savannah River Site in South Carolina. The revenues are payments received from the foreign nations for the management of these spent nuclear fuel elements at the Savannah River Site.

Atomic Energy Defense Activities

DEFENSE ENVIRONMENTAL RESTORATION AND WASTE MANAGEMENT

The Committee recommendation does not include the request to transfer $12,000,000 to the Defense Environmental Restoration and Waste Management appropriation account from various other

Department of Energy accounts. The Committee understands the need to find additional funding to accelerate the transfer of material from tanks at the Hanford site in Washington. However, the source of funds identified for this transfer is not acceptable to the Committee. The Department is urged to look within the Defense Environmental Restoration and Waste Management appropriation account for funds which could be transferred to this higher priority activity, and submit expeditiously a reprogramming request for this activity.

GENERAL PROVISIONS—THIS CHAPTER

SEC. 301. The Committee has recommended language which directs the Secretary of the Army to use continuing contracts for construction projects identified in the Conference Report accompanying the Energy and Water Development Appropriations Act, 1998 (P.L. 105–62). The Army Corps of Engineers has had the authority to use continuing contracts for improvements to rivers and harbors since 1922. The authority, codified at 33 U.S.C. 621, permits the Corps to develop and implement project design and construction schedules that encourage effective management and efficient execution of the civil works program. The flexibility to award multi-year contracts helps keep projects on schedule and reduces total costs. In recognition of sound engineering principles and prudent construction management practices, the authority continues to be used by the Corps. Therefore, the Committee is concerned that the Office of Management and Budget has limited the exercise of this authority through the apportionment of fiscal year 1998 appropriated funds. In doing so, the Office of Management and Budget does not appear to be following the letter, nor the spirit, of 31 U.S.C. 1512, which states in part: "An appropriation for an indefinite period and authority to make obligations by contract before appropriations shall be apportioned to achieve the most effective and economical use." Regrettably, the Committee must resort to Act language to ensure the continued use of the authority of 33 U.S.C. 621. The Committee fully supports the apportionment process, which in its present form dates back to 1950, but desires that it be used for its intended purpose and not employed by the Office of Management and Budget as a political weapon.

SEC. 302. The Committee recommendation exempts the worker transition plan for the Pinellas Plant site from section 303 of Public Law 105–62, the Energy and Water Development Appropriations Act, 1998. Section 303 prohibits the use of funds to develop or implement a work force restructuring plan for Federal employees of the Department of Energy. However, the work force restructuring plan to support the accelerated closure of the Department's Pinellas Plant in Florida was developed before enactment of the fiscal year 1998 appropriation. One specific benefit offered to Federal employees was post-separation career retraining for those employees who agreed to remain until no longer needed.

There are eight Federal employees who remained until plant closure and who began to use the education benefits. This proposal would allow those employees to be provided benefits under the Pinellas Federal Work Force Restructuring Plan to complete their retraining. The estimate of the cost to the government ranges from

$60,000 to $80,000, which would be provided from within existing funds.

CHAPTER 4

FOREIGN OPERATIONS, EXPORT FINANCING, AND RELATED PROGRAMS

Funds Appropriated to the President

International Monetary Programs

Loans to International Monetary Fund

The Committee recommends $3,400,000,000 in budget authority only, the same as the administration request for the United States share of a new supplemental line of credit extended to the International Monetary Fund by participating countries. The New Arrangements to Borrow (NAB) would establish a set of individual credit lines that would serve as a "reserve fund" intended to supplement the IMF's resources when it is responding to financial crises that threaten the stability of the international monetary system.

In addition, authority has been provided to consolidate and use funds previously appropriated to the General Arrangements to Borrow (GAB) for the purposes of the NAB. The combination of GAB and NAB resources provided by the United States and other participating nations will make available to the IMF approximately $48,000,000,000 in supplemental emergency facilities that could be used to respond to a major international financial crisis.

The exceptional demands placed on the IMF's ordinary resources by several Asian member countries over the last several months make the appropriation of the dollar equivalent of 2,462,000,000 Special Drawing Rights to cover the United States share of the proposed NAB more urgent than when it was first requested in early 1997.

The recent crisis in East Asia has made more urgent the need for the NAB in cases where a financial crisis spreads beyond a single country and threatens the stability of international financial markets. The Committee has been made aware of a number of instances in which United States jobs and export opportunities already have been adversely affected by the instability and decline of certain Asian national economies. The negative impact on economic growth and American jobs would be much greater if the international financial system lacks the skill and resources to respond to any new crisis in Asia or in other regions.

In particular, the Committee is concerned about the possible adverse impact of IMF-led programs in East Asia on the United States semi-conductor industry. The Committee finds that a healthy U.S.-based semi-conductor industry is vital to this Nation's security. Further, the Committee is aware that past governments of Korea have directed official lending to favored export-oriented industries, including the semi-conductor industry, threatening the continued existence of U.S.-based competitors. The Committee urges the President to ensure that no American resources are made available directly, or indirectly, to promote unfair competition against the American semi-conductor industry.

Authority to automatically adjust the statutory limit on discretionary budget authority for or on behalf of the IMF is contained in Public Law 105–33, the Balanced Budget Act of 1997. Because of these provisions in the 1990 and 1997 budget accords, amounts appropriated for the NAB do not crowd out other essential international or domestic discretionary programs.

UNITED STATES QUOTA, INTERNATIONAL MONETARY FUND

The Committee recommends $14,500,000,000 in budget authority only, the same as the administration request for the United States share of the tenth periodic increase in the quotas of the International Monetary Fund. The recommended bill language provides an appropriation for the dollar equivalent of 10,622,500,000 Special Drawing Rights.

In accordance with a long-standing agreement between Congress and the Executive branch, an increase in IMF quotas is not scored as outlays, and thus does not increase the deficit. Any temporary transfer of dollars to the IMF is offset by another monetary asset in the form of an interest bearing, highly liquid claim on the IMF that is backed by its gold reserves.

Authority to automatically adjust the statutory limit on discretionary budget authority for the IMF is contained in Public Law 105–33, the Balanced Budget Act of 1997. Because of these provisions in the 1990 and 1997 budget accords, amounts appropriated for the IMF do not crowd out other essential international or domestic discretionary programs.

The Committee is recommending that the appropriation for the IMF quota increase be withheld from obligation until the Secretary of the Treasury notifies the Committee that the IMF has agreed to incorporate in all of its major loans a commitment by borrowers to honor international trade agreements, eliminate government-directed lending, and guarantee non-discriminatory in debt resolution procedures.

The Committee recommendation sets out special reporting requirements for IMF programs that also involve contingent commitments by the Secretary of the Treasury to use the Exchange Stabilization Fund. At the present time, this provision affects Korea. The reports include the following: (a) the extent of progress in making conglomerate business practices more transparent through the application of internationally accepted accounting practices, independent external audits, full disclosure, and provision of consolidated statements; (b) the success of measures undertaken by the United States Government and the International Monetary Fund to ensure that no government subsidized support or tax privileges will be provided to bail out individual corporations, particularly in the semiconductor, steel, plywood, and paper industries; and (c) whether International Monetary Fund involvement in labor market flexibility measures has had a negative effect on worker rights in recipient countries.

Recognizing the broad range of comments by former senior officials of the U.S. Government concerning the efficacy of the IMF and other international financial institutions before and during the recent crisis in East Asia, the Committee recommends the creation of an advisory commission on the international financial system to report within 180 days. The commission is requested to report on the future role and responsibilities of the International Monetary Fund and the International Bank for Reconstruction and Development and other matters that it may include in its report. The commission would be chaired by a former Secretary of the Treasury and would include members representing labor, agriculture, industry, banking, and nongovernmental environmental and human rights organizations. The commission is also asked to address the continuing usefulness of the large number of policy goals set forth by Congress for the Fund and the Bank.

In addition, the Committee has clarified language from the last IMF quota increase in 1992 to clarify that currency boards should be utilized in IMF programs only when practicable.

Finally, the Committee is prepared to amend bill language incorporating most of H.R. 3114, the International Monetary Fund Reform and Authorization Act of 1998, reported from the Committee on Banking and Financial Services on March 18, 1998. Language from H.R. 3114, as amended, not included in the Appropriations Committee recommendation include: the section on Findings; references to specific individuals and ethnic groups; and the requirement that the views of a United Nations agency be taken into account by a United States official. The proposed Advisory Committee on IMF Policy has been expanded to include former Secretaries of the Treasury, and many of the transparency conditions proposed by the Chairman of the Joint Economic Committee in H.R. 3331 have been substituted for those in Section 302 of H.R. 3114.

BILATERAL ECONOMIC ASSISTANCE

OTHER BILATERAL ECONOMIC ASSISTANCE

ECONOMIC SUPPORT FUND

For fiscal year 1998, the Administration has provided an allocation under "International Narcotics Control" that results in a $31,000,000 shortfall in support for counter-narcotics activities in Bolivia, including support for alternative development and for law enforcement activities. The new government of Bolivia has made a commitment to eradicate illegal drug activities within five years, and the Committee believes that the country deserves the full support of the United States in this effort. Therefore the Committee is recommending bill language that recommends the shortfall should be reprogrammed from within the funds appropriated for fiscal year 1998 for the Economic Support Fund.

CHAPTER 5

DEPARTMENT OF THE INTERIOR

MINERALS MANAGEMENT SERVICE

ROYALTY AND OFFSHORE MINERALS MANAGEMENT

The Committee recommends $6,675,000 for royalty and offshore minerals management to meet workload requirements for the Gulf of Mexico offshore oil and gas leasing program on the Outer Continental Shelf. These additional funds are to be derived from increased receipts.

The Committee acknowledges that offshore leasing has increased dramatically over the past few years; however, this fact has been known for some time and should have been incorporated in the fiscal year 1998 budget request. The Committee expects the Department and the Administration to do a better job of identifying Service needs in future budget requests.

The Committee is aware of the success of the past four lease sales in the Gulf of Mexico, and understands that since enactment of the Deep Water Royalty Relief Act, revenues from lease sales in the deep water have been more than $1.2 billion in excess of estimates. Furthermore, the Committee expects that existing financial terms will be maintained for lease sales in the remaining incentive period, including minimum bids and royalty rates.

OFFICE OF SURFACE MINING RECLAMATION AND ENFORCEMENT

ABANDONED MINE RECLAMATION FUND

(INCLUDING TRANSFER OF FUNDS)

The Committee recommends $3,163,000 for the abandoned mine reclamation fund. These additional funds are to be derived by transfer from the fiscal year 1998 appropriation for the regulation and technology account. The purpose of this realignment of funds is to reflect accurately the funding requirements for the programs in each of these accounts.

BUREAU OF INDIAN AFFAIRS

OPERATION OF INDIAN PROGRAMS

The Committee recommends $1,050,000 for the operation of Indian programs to provide document review and retrieval in support of litigation involving individual Indian trust fund accounts. Funds have also been provided in the Office of Special Trustee for American Indians for this purpose.

The Committee is extremely concerned about the potential to drain millions of dollars away from high-priority native American programs designed to address significant social and economic problems on reservations, and instead use these funds for document searches in support of this class action suit. The Committee expects the Office of the Solicitor in coordination with the Bureau of Indian Affairs and the Office of Special Trustee for American Indians to provide quarterly reports on the status of both IIM and tribal litigation and settlements. In addition to these quarterly reports, the Committee expects to be kept informed on the status of litigation and settlements on a continuing and more frequent basis.

DEPARTMENTAL OFFICES

OFFICE OF SPECIAL TRUSTEE FOR AMERICAN INDIANS

FEDERAL TRUST PROGRAMS

The Committee recommends $4,650,000 for Federal trust programs to provide document review and retrieval in support of litigation involving individual Indian trust fund accounts. Funds have also been provided in the Bureau of Indian Affairs for this purpose. The Committee's concerns with respect to the long term ramifications of this program are addressed under the Bureau of Indian Affairs, Operation of Indian Programs account.

GENERAL PROVISION

Section 501 amends title III of the Public Health Service Act to allow funds made available in Public Law 105-33 to the Indian Health Service for diabetes programs in fiscal years 1998 through 2002 to remain available until expended.

CHAPTER 6

DEPARTMENT OF HEALTH AND HUMAN SERVICES

HEALTH CARE FINANCING ADMINISTRATION

PROGRAM MANAGEMENT

The Committee provides $16,000,000 as requested by the Administration for Health Care Financing Administration, Program Management for administrative simplification activities and Federal oversight and enforcement of health insurance portability and access in support of the Health Insurance Portability and Accountability Act of 1996. Of this amount, $6,000,000 would be used to monitor private insurance compliance in States that have failed to enact reforms specified in that Act and $10,000,000 would be used to develop and implement the National Provider Identifier, the Payer Identifier, and other administrative simplification provisions of the Act.

OFFICE OF THE SECRETARY

GENERAL DEPARTMENTAL MANAGEMENT

The bill includes language specifying an amount for funding certain prevention service demonstration grants under title XX of the Public Health Service Act that were originally funded in fiscal year 1997 and that are to be continued in fiscal year 1998. The Committee directs that care services are to be funded in FY 1998 at not less than $2,400,000.

DEPARTMENT OF EDUCATION

SPECIAL EDUCATION

The Committee has included a provision in the bill to ensure that $600,000 is spent in fiscal year 1998 for the Early Childhood Development Project of the Easter Seal Society for the Mississippi River Delta Region. This project was specifically identified for funding in the conference report on the FY 1998 appropriations bill, as it had been also in the House and Senate committee reports. The Department will proceed expeditiously to fund this project as specified by the Congress.

GENERAL PROVISIONS—THIS CHAPTER

The bill includes language that would allow a State's "State Children's Health Insurance Program" plan under title XXI of the Social Security Act to be approved up until September 30, 1999 and enable the State to still be eligible for its FY 1998 allotment. The language would also postpone to the end of FY 1999 the Administration's statutory obligation to reapportion to other States unused FY 1998 funds. It would not add any additional time for the State to spend these funds, however; FY 1998 allotments would still be available for expenditure only through the end of FY 2000.

The Committee provides for a limitation on obligations of not to exceed $67,400,000 for Peer Review Organizations as an offset for the increase in Health Care Financing Administration, Program Management. This was requested by the Administration.

CHAPTER 7

LEGISLATIVE BRANCH

CONGRESSIONAL OPERATIONS

HOUSE OF REPRESENTATIVES

PAYMENTS TO WIDOWS AND HEIRS OF DECEASED MEMBERS OF CONGRESS

Funds are provided for the customary death gratuity for the widow of Walter Capps, late a Representative of the State of California and for the widow of Sonny Bono, late a Representative of the State of California. The amounts provided reflect the annual salary of Mr. Capps and Mr. Bono at the time of their deaths.

ARCHITECT OF THE CAPITOL

CAPITOL BUILDINGS AND GROUNDS

CAPITOL BUILDINGS

SALARIES AND EXPENSES

The bill contains $7,500,000 for an extensive repair and rehabilitation of the Capitol dome. These funds will be used for the first phase of the project which involves a complicated chemical and mechanical removal of several layers of lead-based paint from the interstitial space between the outer and inner domes, and repainting those surfaces. During this phase, the metal super- and sub-structure will be studied so that the scope of the entire project can be fully ascertained. Additional work in later phases will involve repairing cast iron, mechanical, electrical, and other structural elements of the dome. The current estimate of the entire project is $26.5 million. This phase of the project is being funded in the supplemental due to the urgency of dealing with the condition of the dome which requires immediate attention.

CAPITOL GROUNDS

The bill contains $20,000,000 for Capitol grounds, of which not to exceed $4,000,000 shall be transferred to the Capitol police, for the Capitol square perimeter security plan. This project will provide much-needed improvements and replacements to existing physical grounds security, and will result in replacing the unsightly and deteriorating planters that form perimeter barriers with bollards which are more suitable for the purposes of security and appearance. In addition, more efficient traffic flows will be established at grounds entrances. These funds are included in this bill due to the urgency of the need for improved security, as recommended to the Committee by the Capitol Police Board. The expenditure of these funds is subject to the review and approval by the appropriate House and Senate authorities, including the Committees on Appropriations of the House and Senate, the Speaker of the House, the Committee on House Oversight, and the Senate Committee on Rules and Administration.

CHAPTER 8

DEPARTMENT OF TRANSPORTATION AND RELATED AGENCIES

DEPARTMENT OF TRANSPORTATION

OFFICE OF THE SECRETARY

AMTRAK REFORM COUNCIL

The bill includes $2,450,000 for costs associated with the independent assessment of Amtrak which was authorized by the Amtrak Reform and Accountability Act of 1997 subsequent to enactment of the fiscal year 1998 Department of Transportation and Related Agencies Appropriations Act. Funds provided under this heading remain available until September 30, 1999.

RELATED AGENCIES

NATIONAL TRANSPORTATION SAFETY BOARD

SALARIES AND EXPENSES

The bill provides $5,400,000 for the National Transportation Safety Board to continue its investigation of the TWA Flight 800 accident in the Calverton facility. These funds will fund the full 1998 Calverton rental costs, including heating, supplies, and personnel, and $500,000 for security functions previously performed by the Federal Bureau of Investigation. The appropriation assumes closure of the Calverton airfield and termination of associated firefighting costs.

CHAPTER 9

DEPARTMENT OF THE TREASURY

YEAR 2000 CENTURY DATE CHANGE CONVERSION

The Administration has requested that the Department of the Treasury be given the authority to transfer, subject to advance notice being transmitted to the Appropriations Committee, up to $250,000,000 from any funds available to the Department to any other Department account in order to fund essential Year 2000 century date change conversion requirements. The Committee is committed to providing the resources the Department needs to successfully complete Year 2000 conversion activities; however, the Committee has denied the Administration's request for Department-wide transfer authority. Instead, the Committee has provided, through direct appropriations ($33,410,000), and through the approval of reprogramming actions ($140,490,000), the total amount currently estimated by the Department to be required for Year 2000 conversion activities at the Internal Revenue Service ($63,200,000), the Financial Management Service ($7,400,000), the United States Customs Service ($37,300,000), and for the Department-wide communications system ($66,000,000). The Committee has also recommended the rescission of previously appropriated funds to offset amounts provided in this Act. The specific actions taken by the Committee in this bill are described below.

ACCOUNTABILITY FOR YEAR 2000 EXPENDITURES

Assuring that its information technology systems are Year 2000 compliant is perhaps the most pressing challenge facing the Department of the Treasury today. To date, the Committee has provided $608,000,000 for Year 2000 compliance within the Department of the Treasury, including $419,000,000 in the current fiscal year. While resources are important, the Committee strongly believes that the key to successful completion of this program throughout the Federal government is aggressive management. The Committee commends the Department of the Treasury for taking such a role in addressing its Year 2000 problem. The Committee also believes that the Department needs to retain Year 2000 compliance as a priority until all conversion efforts are complete. However, based on information recently provided to the Committee, and the most recent quarterly report furnished by the Department to the Office of Management and Budget, it appears that a more thorough analysis of Year 2000 conversion resource requirements is needed.

The Committee directs the Department of the Treasury to submit a copy of its Year 2000 Quarterly Progress Report to the Committee on Appropriations at the same time as it is submitted to the Office of Management and Budget. Additionally, the Committee directs the Department to submit, by Bureau, an inventory and the status of mission critical information systems, as well as non-information technology, communications, and other equipment that requires Year 2000 conversion. Finally, the Committee directs the Department to report to the Committee on Appropriations on the total estimated Year 2000 costs, by Bureau, for each of the next five fiscal years. This report should be submitted no later than September 1, 1998.

AUTOMATION ENHANCEMENT

The Committee recommends an appropriation of $28,410,000 in the Department's Automation Enhancement account for Year 2000 Century Date Change activities associated with the Treasury Communications System. Of the total appropriated, $10,410,000 is not available for obligation until September 1, 1998. This appropriation, combined with the approval of a reprogramming action, will provide a total of $66,000,000 for this effort.

TREASURY BUILDING AND ANNEX REPAIR AND RESTORATION

The Committee has provided $17,000,000, which shall not become available for obligation until September 1, 1998, for the Department's Treasury Building and Annex Repair and Restoration account to replenish amounts rescinded to provide for the Department's immediate Year 2000 conversion needs.

FINANCIAL MANAGEMENT SERVICE

SALARIES AND EXPENSES

The Committee recommends an appropriation of $5,300,000 for the Financial Management Service to undertake essential Year 2000 century date change conversion activities. This appropriation, combined with the approval of a reprogramming action, will provide a total of $7,400,000 for Year 2000 work at the Financial Management Service.

GENERAL PROVISIONS

DEPARTMENTS, AGENCIES, AND CORPORATIONS

The Committee has taken no action in response to the Administration's proposal to repeal section 642 of the Treasury and General Government Appropriations Act, 1998, the Federal Employees' Retirement System Open Enrollment Act of 1997.

CHAPTER 10

DEPARTMENT OF VETERANS AFFAIRS

VETERANS BENEFITS ADMINISTRATION

COMPENSATION AND PENSIONS

An appropriation of $19,932,997,000 was provided for the compensation and pensions account in fiscal year 1998. The VA is requesting a supplemental appropriation of $550,000,000 for the compensation and pensions account. Of this amount, $303,400,000 is due to the 2.1 percent cost-of-living adjustment that was effective

December 1, 1997 as authorized in the Veterans' Compensation Rate Amendments Act of 1997. The remaining $246,600,000 is required primarily because of increases in the average cost per claim due to several factors including a higher degree of disability claimed and granted as well as higher than expected average payments to Vietnam and Gulf War veterans. A decrease in estimated pension costs due to lower than projected caseload partially offsets increased compensation costs. The Committee has included the supplemental budget request of $550,000,000 to provide the balance of funds required in fiscal year 1998 for the compensation and pensions appropriation.

ENVIRONMENTAL PROTECTION AGENCY

STATE AND TRIBAL ASSISTANCE GRANTS

Bill language has been included which clarifies that the eligible recipients of grants for pollution prevention, control, abatement, and related activities other than Performance Partnership Grants, are those eligible under EPA's organic statutes. In fiscal year 1997, this account was changed to include a statutory earmark of a specified amount for such grants, including Performance Partnership Grants. Past practice had been to include the funds for these grants in a lump sum appropriation. This change had the unintended effect of raising legal questions about the eligibility of some entities that have historically been eligible for these grants under the various organic statutes. The bill language resolves any ambiguity regarding their continuing eligibility. It does not, however, redefine those recipients eligible for Performance Partnership Grants pursuant to Public Laws 104–134 and 105–65.

ADMINISTRATIVE PROVISION

Bill language has been included which prevents the Environmental Protection Agency from imposing requirements of a carbon monoxide Federal implementation plan based on the Clean Air Act (CAA) as in effect prior to the 1990 amendments to this Act. This language is necessary to prevent the State of Arizona from being held to outdated Agency guidance developed under the 1977 Clean Air Act Amendments while the State and EPA work jointly to develop and implement a carbon monoxide State implementation plan consistent with the Clean Air Act Amendments of 1990.

NATIONAL AERONAUTICS AND SPACE ADMINISTRATION

HUMAN SPACE FLIGHT

(TRANSFER OF FUNDS)

The Committee has included language which would allow the transfer of $45,000,000 from the Mission support account and $128,000,000 from the Science, aeronautics and technology account to the Human space flight account for the International Space Station program. The amount provided is the same as the administration request.

The Committee held a hearing on March 12, 1998 during which the NASA administrator and other NASA officials provided testimony regarding the progress of the International Space Station. In the course of the hearing, and during briefings provided to the Committee, it became clear that some additional funding would be needed for the program in fiscal year 1998. The fiscal year 1998 appropriations bill provided $2,351,300,000 for the space station program. Still to be factored into the fiscal year 1998 requirements is the cost of taking contingency action as a result of continuing delays in the construction of the Service Module by Russia. The amount of transfer authority provided, coupled with an additional $27,000,000 already available from within the Human space flight account, will provide a total of $2,551,300,000 for the program in fiscal year 1998. The Committee believes this amount of funding will address the most urgent needs in the current fiscal year to maintain the program on a schedule which will minimize total program costs.

CHAPTER 11

DEPARTMENT OF DEFENSE—MILITARY CONSTRUCTION

The Committee recommends language which provides that, using amounts appropriated in Public Law 104–196 for "Military Construction, Navy" for a project at North Island Naval Air Station, California, and contributions from state and local governments, the Secretary of the Navy, in cooperation with local governments, shall carry out beach replenishment using sand obtained from any location. Contributions from state and local governments for beach replenishment are available only for beach replenishment activities performed after the date of enactment of this Act.

FAMILY HOUSING IMPROVEMENT FUND

The Department of Defense is delaying the execution of family housing construction projects for which funds have been appropriated, for possible transfer into the Family Housing Improvement Fund. Funds that were appropriated for specific construction projects should be executed as justified to Congress. The Committee supports the Department's privatization efforts through the authorities that reside in the Fund, but intends that previously approved construction projects proceed in order to improve the quality of life for service members and their families at the earliest possible date.

The President's Budget for fiscal year 1999 indicates that the Family Housing Improvement Fund had an unobligated balance of $28,000,000 available at the beginning of fiscal year 1998, and that no further funds would be transferred into the Fund during fiscal year 1998. Thus, based on the Administration's budget, this balance is sufficient to carry out planned activities throughout fiscal year 1998, and the execution of previously approved construction projects will cause no delays in privatization efforts.

The Committee intends to review the operation of the Fund in detail in its action on the budget request for fiscal year 1999.

Picatinny Arsenal Armament Software Engineering Center

The Committee provided $1.3 million in design funds for the Armament Software Engineering Center (ASEC) at Picatinny Arsenal in fiscal year 1998. The Committee urges the Department of the Army to release this funding without delay.

TITLE II—RESCISSIONS

DEPARTMENT OF AGRICULTURE

Agricultural Research Service

(RESCISSION)

The Committee recommends a rescission of $233,000 from the Agricultural Research Service. These reductions can be absorbed within available resources and will have a negligible impact on the program.

Animal and Plant Health Inspection Service

SALARIES AND EXPENSES

(RESCISSION)

The Committee recommends a rescission of $350,000 from the Animal and Plant Health Inspection Service. These reductions can be absorbed within available resources and will have a negligible impact on the program.

Agricultural Marketing Service

MARKETING SERVICES

(RESCISSION)

The Committee recommends a rescission of $25,000 from the Agricultural Marketing Service. These reductions can be absorbed within available resources and will have a negligible impact on the program.

Grain Inspection, Packers and Stockyards Administration

SALARIES AND EXPENSES

(RESCISSION)

The Committee recommends a rescission of $38,000 from the Grain Inspection, Packers and Stockyards Administration. These reductions can be absorbed within available resources and will have a negligible impact on the program.

Food Safety and Inspection Service

(RESCISSION)

The Committee recommends a rescission of $502,000 from the Food Safety and Inspection Service. These reductions can be absorbed within available resources and will have a negligible impact on the program.

Farm Service Agency

SALARIES AND EXPENSES

(RESCISSION)

The Committee recommends a rescission of $1,080,000 from the Farm Service Agency. These reductions can be absorbed within available resources and will have a negligible impact on the program.

Agricultural Credit Insurance Fund Program Account

GUARANTEED UNSUBSIDIZED

(RESCISSION)

The Committee recommends a rescission of $6,737,000 from the Agricultural Credit Insurance Fund Program Account. These reductions can be absorbed within available resources and will have a negligible impact on the program.

Natural Resources Conservation Service

CONSERVATION OPERATIONS

(RESCISSION)

The Committee recommends a rescission of $378,000 from the Natural Resources Conservation Service. These reductions can be absorbed within available resources and will have a negligible impact on the program.

CONSERVATION FARM OPTION PROGRAM

The Committee recommends limiting the conservation farm option program to not more than $11,000,000 in fiscal year 1998. The reduction in the program for fiscal year 1998 would still be available for use in fiscal year 1999. The reduction is necessary to help costs for additional guaranteed farm operating loans.

Rural Housing Service

SALARIES AND EXPENSES

(RESCISSION)

The Committee recommends a rescission of $846,000 from the Rural Housing Service. These reductions can be absorbed within available resources and will have a negligible impact on the program.

Food and Nutrition Service

FOOD PROGRAM ADMINISTRATION

(RESCISSION)

The Committee recommends a rescission of $114,000 from the Food and Nutrition Service. These reductions can be absorbed within available resources and will have a negligible impact on the program.

DEPARTMENT OF THE INTERIOR

Bureau of Land Management

MANAGEMENT OF LANDS AND RESOURCES

(RESCISSION)

The Committee recommends a rescission of $1,188,000 for management of lands and resources. These funds are available for rescission from emergency funds provided in Public Law 104–208 because restoration costs to restore public lands damaged by fire were lower than anticipated.

OREGON AND CALIFORNIA GRANT LANDS

(RESCISSION)

The Committee recommends a rescission of $2,500,000 for Oregon and California grant lands. These funds are available for rescission from emergency funds provided in Public Law 104–208 because restoration costs to restore public lands damaged by fire in Oregon were lower than anticipated.

United States Fish and Wildlife Service

RESOURCE MANAGEMENT

(RESCISSION)

The Committee recommends a rescission of $250,000 for resource management. These funds were made available in the fiscal year 1997 supplemental appropriation to replace fish fry killed in the April 1997 snow storm in the Northeast and are not needed for that purpose. The fish fry were replaced at the North Attleboro National Fish Hatchery in Massachusetts for a much smaller amount of money using base funding.

CONSTRUCTION

(RESCISSION)

The Committee recommends a rescission of $1,188,000 in unobligated balances for construction. The Department has reported that savings in this amount can be achieved through value engineering, reducing project scope and using standardized designs.

National Park Service

CONSTRUCTION

(RESCISSION)

The Committee recommends a rescission of $1,638,000 in unobligated balances for construction. The Department has reported that savings in this amount can be achieved through value engineering, reducing project scope and using standardized designs.

Bureau of Mines

MINES AND MINERALS

(RESCISSION)

The Committee recommends a rescission of $1,605,000 for mines and minerals. These funds are available for rescission due to uncosted balances remaining in contracts for which work has been completed.

Bureau of Indian Affairs

CONSTRUCTION

(RESCISSION)

The Committee recommends a rescission of $737,000 in unobligated balances for construction. The Department has reported that savings in this amount can be achieved through value engineering, reducing project scope and using standardized designs.

DEPARTMENT OF AGRICULTURE

Forest Service

FOREST AND RANGELAND RESEARCH

(RESCISSION)

The Committee recommends a rescission of $148,000 in unobligated balances for forest and rangeland research. The rescission is intended to offset supplemental appropriations for the Department's Civil Rights Initiative.

STATE AND PRIVATE FORESTRY

(RESCISSION)

The Committee recommends a rescission of $59,000 in unobligated balances for State and private forestry. The rescission is intended to offset supplemental appropriations for the Department's Civil Rights Initiative.

NATIONAL FOREST SYSTEM

(RESCISSION)

The Committee recommends a rescission of $1,094,000 in unobligated balances for the National forest system. The rescission is intended to offset supplemental appropriations for the Department's Civil Rights Initiative.

WILDLAND FIRE MANAGEMENT

(RESCISSION)

The Committee recommends a rescission of $148,000 in unobligated balances for wildland fire management. The rescission is intended to offset supplemental appropriations for the Department's Civil Rights Initiative.

RECONSTRUCTION AND CONSTRUCTION

(RESCISSION)

The Committee recommends a rescission of $30,000 in unobligated balances for reconstruction and construction. The rescission is intended to offset supplemental appropriations for the Department's Civil Rights Initiative.

DEPARTMENT OF TRANSPORTATION

Office of the Secretary

PAYMENTS TO AIR CARRIERS

(RESCISSION)

Prior to 1992, this account funded the essential air service program, which subsidized air transportation at remote communities. Beginning in 1992, the program was funded from the airport and airway trust fund. The rescission of $2,500,000 has no effect on the essential air service program.

PAYMENTS TO AIR CARRIERS

(AIRPORT AND AIRWAY TRUST FUND)

(RESCISSION OF CONTRACT AUTHORIZATION)

The bill rescinds $3,000,000 in contract authority provided for "Small community air service" by Public Law 101–508 for fiscal years prior to fiscal year 1998. These funds are in excess of the annual obligation limitations placed on the program by prior appropriations Acts. Therefore, this rescission has no effect on the essential air service program.

Federal Aviation Administration

FACILITIES, ENGINEERING, AND DEVELOPMENT

(RESCISSION)

The bill rescinds $500,000 in unobligated balances from previous appropriations Acts. The FAA has proposed no plans for obligating these funds and such funds have remained unobligated for many years.

GRANTS-IN-AID FOR AIRPORTS

(AIRPORT AND AIRWAY TRUST FUND)

(RESCISSION OF CONTRACT AUTHORIZATION)

The bill rescinds $30,000,000 in unused contract authority for grants-in-aid for airports. These funds are in excess of the annual obligation limitation placed on the program by the fiscal year 1998 Department of Transportation and Related Agencies Appropriations Act and are therefore not available for obligation in fiscal year 1998.

Federal Railroad Administration

CONRAIL LABOR PROTECTION

(RESCISSION)

The bill rescinds unobligated balances of $508,234. The Conrail labor protection program was established to provide labor protection to employees affected by the formation of Conrail. After Conrail was sold in 1987, no new benefits can be awarded. The unobligated balance of $508,234 cannot be expended under existing law.

DEPARTMENT OF THE TREASURY

Treasury Building and Annex Repair and Restoration

(RESCISSION)

The Committee recommends a rescission of $17,000,000 from funds previously appropriated for repair and restoration of the Treasury Building. The Committee is aware that these funds are not required immediately and has, therefore, rescinded them to provide for the Department's urgent Year 2000 needs. The Committee has replenished this account with an appropriation of funds which will not become available for obligation until September 1, 1998.

United States Customs Service

(RESCISSION)

The Committee recommends a rescission of $6,000,000 from funds appropriated in fiscal year 1997 for the Automated Targeting System. That project was scaled back to a voluntary pilot program in fiscal year 1998, thereby realizing significant savings.

Internal Revenue

INFORMATION TECHNOLOGY INVESTMENTS

(RESCISSION)

The Committee recommends a rescission of $27,410,000 from funds appropriated in fiscal year 1998 for the Internal Revenue Service's Information Technology Investments program. The Committee wishes to make it clear that it fully supports the program to modernize the Internal Revenue Service's information systems and is only taking this action in response to the Department's need to address urgent Year 2000 century date change conversion requirements. The Committee will make every attempt to replenish these funds in fiscal year 1999.

CHANGES IN THE APPLICATION OF EXISTING LAW

Pursuant to clause 3 of rule XXI of the Rules of the House of Representatives, the following statements are submitted describing the effect of provisions in the accompanying bill which directly or indirectly change the application of existing law.

Rescissions of previously appropriated funds have been included in several instances throughout the bill (see table of rescissions included pursuant to clause 1(b) of rule X of the Rules of the House "Rescissions").

Language is included to provide that Food Stamp Program funds are available for employment and training activities until expended. P.L. 105–86 prohibited these funds from being extended beyond fiscal year 1998.

Language is included under Department of State, International Organizations and Conferences, Arrearage Payments, that could be construed to be legislative in nature.

Language is included under Chapter 3, General Provisions, providing that no fully allocated funding policy shall be applied to Corps of Engineers projects for which funds were identified in the Conference Report accompanying the Energy and Water Development Act, 1998, and directing the Secretary of the Army to undertake these projects using continuing contracts.

Language is included under Chapter 4, Economic Support Fund, that could be construed to be legislative in nature.

Language is included under Chapter 4, International Monetary Programs, making the funds appropriated available until expended.

Language is included under Chapter 4, General Provisions, requiring a notification from the Secretary of the Treasury prior to obligation of funds for the tenth quota increase of the International Monetary Fund and establishing a temporary advisory commission on the international financial system.

Language is included under Chapter 4, General Provision, that amends the Bretton Woods Agreements Act in order to authorize the funds appropriated in that chapter.

Language is included under Chapter 4, General Provisions, that amends the International Financial Institutions Act by adding two new policy sections to title XV, including 14 additional instructions by the Secretary of the Treasury to the United States Executive Director of the IMF, and adding three new reporting provisions to title XVII, providing for additional semiannual and annual reports, annual testimony, and annual General Accounting Office audits of the IMF.

Language is included under Chapter 4, General Provisions, that makes the termination provision of the Federal Advisory Committee Act inapplicable to the proposed Advisory Committee on IMF Policy.

Language is included under Department of Energy, Departmental Administration, providing authority to increase by $5,408,000 the cost of work for others program as long as the increased costs are offset by revenue increases of the same or greater amount.

Language is included under Chapter 3, General Provisions, exempting the worker transition plan for the Department of Energy Pinellas Plant site from section 303 of Public Law 105–62, the Energy and Water Development Appropriations Act, 1998.

Language is included in Chapter 5 (General Provision) permitting diabetes funding made available to the Indian Health Service in Public Law 105–33 to remain available until expended.

Language has been included under Department of Health and Human Services, Office of the Secretary, providing for a distribution of funds different from that required by title XX of the Public Health Service Act.

Language has been included under Department of Health and Human Services, General Provisions, that would allow a State's "State Children's Health Insurance Program" plan under title XXI of the Social Security Act to be approved up until September 30, 1999 and enable the State to still be eligible for its FY 1998 allotment.

Language has been included under Department of Health and Human Services, General Provisions, that would limit obligations for Peer Review Organizations under title XI of the Social Security Act to not to exceed $67,400,000.

Language has been included under the Department of the Treasury, Automation Enhancement account making the funds appropriated available until September 30, 2000, and language making the funds available only for Year 2000 century date change requirements. The Committee has also included language delaying the availability of a portion of the funds until September 1, 1998.

Language has been included under the Treasury Building and Annex Repair and Restoration account making the funds appropriated available until expended, and language delaying the availability of the funds until September 1, 1998.

Language has been included under the Financial Management Service Salaries and Expenses account making the funds appropriated available until September 30, 2000, and language making the funds available for Year 2000 century date change requirements.

Language is included under the Environmental Protection Agency, state and tribal assistance grants, which clarifies that the eligibility requirements for grant recipients shall be those as contained in organic statutes of the Agency.

Language is included under the Environmental Protection Agency, administrative provision, which stipulates that no requirements set forth in a Federal implementation plan that are based on the Clean Air Act prior to the 1990 amendments to this Act may be imposed in the State of Arizona.

Language has been included under the National Aeronautics and Space Administration permitting the transfer of $173,000,000 from science, aeronautics and technology and mission support to human space flight.

Language is included in Chapter 11 regarding a military construction project for which funds were appropriated in fiscal year 1997.

COMPLIANCE WITH RULE XIII—CLAUSE 3

In compliance with clause 3 of rule XIII of the Rules of the House of Representatives, changes in existing law made by the bill, as reported, are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in italic, existing law in which no change is proposed is shown in roman):

Language is included in chapter 2 which sets conditions for the use of quota resources of the International Monetary Fund.

BRETTON WOODS AGREEMENTS ACT

*   *   *   *   *   *   *

SEC. 17. (a) In order to carry out the purposes of the decision of January 5, 1962, [and February 24, 1983] *February 24, 1983, and January 27, 1997*, as amended in accordance with their terms, of the Executive Directors of the International Monetary Fund, the Secretary of the Treasury is authorized to make loans, in an amount not to exceed the equivalent of [4,250,000,000] *6,712,000,000* Special Drawing Rights, limited to such amounts as are provided in advance in appropriations Acts, except that prior to activation, the Secretary of the Treasury shall certify that supplementary resources are needed to forestall or cope with an impairment of the international monetary system and that the Fund has fully explored other means of funding, to the Fund under article VII, section 1(i), of the Articles of Agreement of the Fund. Any loan under the authority granted in this subsection shall be made with due regard to the present and prospective balance of payments and reserve position of the United States.

(b) For the purpose of making loans to the International Monetary Fund pursuant to this section, there is hereby authorized to be appropriated [4,250,000,000] *6,712,000,000* Special Drawing Rights, except that prior to activation, the Secretary of the Treasury shall certify whether supplementary resources are needed to forestall or cope with an impairment of the international monetary system and that the Fund has fully explored other means of funding, to remain available until expended to meet calls by the International Monetary Fund. Any payments made to the United States by the International Monetary Funds as a repayment on account of the principal of a loan made under this section shall continue to be available for loans to the International Monetary Fund.

*   *   *   *   *   *   *

(d) Unless the Congress by law so authorizes, neither the President, the Secretary of the Treasury, nor any other person acting on behalf of the United States, may instruct the United States Executive Director to the Fund to consent to any amendment to the Decision of February 24, 1983, *or the Decision of January 27, 1997,* of the Executive Directors of the Fund, if the adoption of such amendment would significantly alter the amount, terms, or conditions of participation by the United States in the General Arrangements to Borrow *or the New Arrangements to Borrow, as applicable*.

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SEC. 61. QUOTA INCREASE.

(a) IN GENERAL.—The United States Governor of the Fund may consent to an increase in the quota of the United States in the Fund equivalent to 10,622,500,000 Special Drawing Rights.

(b) SUBJECT TO APPROPRIATIONS.—The authority provided by subsection (a) shall be effective only to such extent or in such amounts as are provided in advance in appropriations Acts.

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INTERNATIONAL FINANCIAL INSTITUTIONS ACT

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TITLE XV—OTHER POLICIES

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SEC. 1503. ADVOCACY OF POLICIES TO ENHANCE THE GENERAL EFFECTIVENESS OF THE INTERNATIONAL MONETARY FUND.

(a) IN GENERAL.—The Secretary of the Treasury shall instruct the United States Executive Director of the International Monetary Fund to use aggressively the voice and vote of the Executive Director to do the following:

(1) Vigorously promote policies to increase the effectiveness of the International Monetary Fund in structuring programs and assistance so as to promote policies and actions that will contribute to exchange rate stability and avoid competitive devaluations that will further destabilize the international financial and trading systems.

(2) Vigorously promote policies to increase the effectiveness of the International Monetary Fund in promoting market-oriented reform, trade liberalization, economic growth, democratic governance, and social stability through—

(A) appropriate liberalization of pricing, trade, investment, and exchange rate regimes of countries to open countries to the competitive forces of the global economy;

(B) opening domestic markets to fair and open internal competition among domestic enterprises by eliminating inappropriate favoritism for small or large businesses, eliminating elite monopolies, creating and effectively implementing anti-trust and anti-monopoly laws to protect free competition, and establishing fair and accessible legal procedures for dispute settlement among domestic enterprises;

(C) privatizing industry in a fair and equitable manner that provides economic opportunities to a broad spectrum of the population, eliminating government and elite monopolies, closing loss-making enterprises, and reducing government control over the factors of production;

(D) economic deregulation by eliminating inefficient and overly burdensome regulations and strengthening the legal

framework supporting private contract and intellectual property rights;

(E) establishing or strengthening key elements of a social safety net to cushion the effects on workers of unemployment and dislocation; and

(F) encouraging the opening of markets for agricultural commodities and products by requiring recipient countries to make efforts to reduce trade barriers.

(3) Vigorously promote policies to increase the effectiveness of the International Monetary Fund, in concert with appropriate international authorities and other international financial institutions (as defined in section 1701(c)(2)), in strengthening financial systems in developing countries, and encouraging the adoption of sound banking principles and practices, including the development of laws and regulations that will help to ensure that domestic financial institutions meet strong standards regarding capital reserves, regulatory oversight, and transparency.

(4) Vigorously promote policies to increase the effectiveness of the International Monetary Fund, in concert with appropriate international authorities and other international financial institutions (as defined in section 1701(c)(2)), in facilitating the development and implementation of internationally acceptable domestic bankruptcy laws and regulations in developing countries, including the provision of technical assistance as appropriate.

(5) Vigorously promote policies that aim at appropriate burden-sharing by the private sector so that investors and creditors bear more fully the consequences of their decisions, and accordingly advocate policies which include—

(A) strengthening crisis prevention and early warning signals through improved and more effective surveillance of the national economic policies and financial market development of countries (including monitoring of the structure and volume of capital flows to identify problematic imbalances in the inflow of short and medium term investment capital, potentially destabilizing inflows of offshore lending and foreign investment, or problems with the maturity profiles of capital to provide warnings of imminent economic instability), and fuller disclosure of such information to market participants;

(B) accelerating work on strengthening financial systems in emerging market economies so as to reduce the risk of financial crises;

(C) consideration of provisions in debt contracts that would foster dialogue and consultation between a sovereign debtor and its private creditors, and among those creditors;

(D) consideration of extending the scope of the International Monetary Fund's policy on lending to members in arrears and of other policies so as to foster the dialogue and consultation referred to in subparagraph (C);

(E) intensified consideration of mechanisms to facilitate orderly workout mechanisms for countries experiencing debt or liquidity crises;

(F) consideration of establishing ad hoc or formal linkages between the provision of official financing to countries experiencing a financial crisis and the willingness of market participants to meaningfully participate in any stabilization effort led by the International Monetary Fund;

(G) using the International Monetary Fund to facilitate discussions between debtors and private creditors to help ensure that financial difficulties are resolved without inappropriate resort to public resources; and

(H) the International Monetary Fund accompanying the provision of funding to countries experiencing a financial crisis resulting from imprudent borrowing with efforts to achieve a significant contribution by the private creditors, investors, and banks which had extended such credits.

(6) Vigorously promote policies that would make the International Monetary Fund a more effective mechanism, in concert with appropriate international authorities and other international financial institutions (as defined in section 1701(c)(2)), for promoting good governance principles within recipient countries by fostering structural reforms, including procurement reform, that reduce opportunities for corruption and bribery, and drug-related money laundering.

(7) Vigorously promote the design of International Monetary Fund programs and assistance so that governments that draw on the International Monetary Fund channel public funds away from unproductive purposes, including large "show case" projects and excessive military spending, and toward investment in human and physical capital as well as social programs to protect the neediest and promote social equity.

(8) Work with the International Monetary Fund to foster economic prescriptions that are appropriate to the individual economic circumstances of each recipient country, recognizing that inappropriate stabilization programs may only serve to further destabilize the economy and create unnecessary economic, social, and political dislocation.

(9) Structure International Monetary Fund programs and assistance so that the maintenance and improvement of core labor standards are routinely incorporated as an integral goal in the policy dialogue with recipient countries, so that—

(A) recipient governments commit to affording workers the right to exercise internationally recognized core worker rights, including the right of free association and collective bargaining through unions of their own choosing;

(B) measures designed to facilitate labor market flexibility are consistent with such core worker rights; and

(C) the staff of the International Monetary Fund surveys the labor market policies and practices of recipient countries and recommends policy initiatives that will help to ensure the maintenance or improvement of core labor standards.

(10) Vigorously promote International Monetary Fund programs and assistance that are structured to the maximum extent feasible to discourage practices which may promote ethnic or social strife in a recipient country.

(11) Vigorously promote recognition by the International Monetary Fund that macroeconomic developments and policies can affect and be affected by environmental conditions and policies, and urge the International Monetary Fund to encourage member countries to pursue macroeconomic stability while promoting environmental protection.

(12) Facilitate greater International Monetary Fund transparency, including by enhancing accessibility of the International Monetary Fund and its staff, fostering a more open release policy toward working papers, past evaluations, and other International Monetary Fund documents, seeking to publish all Letters of Intent to the International Monetary Fund and Policy Framework Papers, and establishing a more open release policy regarding Article IV consultations.

(13) Facilitate greater International Monetary Fund accountability and enhance International Monetary Fund self-evaluation by vigorously promoting review of the effectiveness of the Office of Internal Audit and Inspection and the Executive Board's external evaluation pilot program and, if necessary, the establishment of an operations evaluation department modeled on the experience of the International Bank for Reconstruction and Development, guided by such key principles as usefulness, credibility, transparency, and independence.

(14) Vigorously promote coordination with the International Bank for Reconstruction and Development and other international financial institutions (as defined in section 1701(c)(2)) in promoting structural reforms which facilitate the provision of credit to small businesses, including microenterprise lending, especially in the world's poorest, heavily indebted countries.

(b) COORDINATION WITH OTHER EXECUTIVE DEPARTMENTS.—To the extent that it would assist in achieving the goals described in subsection (a), the Secretary of the Treasury shall pursue the goals in coordination with the Secretary of State, the Secretary of Labor, the Secretary of Commerce, the Administrator of the Environmental Protection Agency, the Administrator of the Agency for International Development, and the United States Trade Representative.

SEC. 1504. DENIAL OF FEDERAL FUNDS TO THE INTERNATIONAL MONETARY FUND IF ITS OPERATIONS ARE NOT MADE MORE TRANSPARENT.

(a) IN GENERAL.—Beginning 6 months after the date of the enactment of this section, an officer, employee, or agent of the United States may not, directly or indirectly, provide Federal funds to, or for the benefit of, the International Monetary Fund unless there is in effect a written certification, made by the Secretary of the Treasury to the Committee on Banking and Financial Services of the House of Representatives and the Committee on Banking, Housing, and Urban Affairs of the Senate, that the International Monetary Fund has met the requirements of subsection (b).

(b) REQUIREMENTS.—The requirements of this subsection are the following:

(1) Within 3 months after any meeting of the Board of Governors or the Executive Board of the International Monetary Fund, an edited copy of the minutes of the meeting shall be

made available for public inspection, with the following information redacted:

(A) Information which, if released, would adversely affect the national security of a country, and which is of the type that would be classified by United States Government.

(B) Information which, if released, would disrupt markets.

(C) Proprietary information.

(2) Within 3 months after staff of the International Monetary Fund makes a written review or assessment of any proposed or ongoing loan program of the International Monetary Fund, a copy of the review or assessment shall be made available for public inspection, with the following information redacted:

(A) Information which, if released, would adversely affect the national security of a country, and which is of the type that would be classified by United States Government.

(B) Information which, if released, would disrupt markets.

(C) Proprietary information.

(c) EFFECTIVE PERIOD OF CERTIFICATION.—

(1) IN GENERAL.—A certification made under this section shall cease to be in effect 1 year after the date the certification is made.

(2) REVOCATION.—

(A) IN GENERAL.—A certification made under this section shall cease to be in effect if the Secretary of the Treasury revokes the certification.

(B) CAUSE FOR REVOCATION.—The Secretary of the Treasury shall revoke a certification made under this section if the Secretary of the Treasury is made aware that the International Monetary Fund has ceased to meet a requirement of subsection (b).

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TITLE XVII—CONSOLIDATED REPORTING REQUIREMENTS

SEC. 1701. ANNUAL REPORT BY CHAIRMAN OF THE NATIONAL ADVISORY COUNCIL ON INTERNATIONAL MONETARY AND FINANCIAL POLICIES.

(a) * * *

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(e) ADVISORY COMMITTEE ON IMF POLICY.—

(1) IN GENERAL.—The Secretary of the Treasury shall establish an International Monetary Fund Advisory Committee (in this subsection referred to as the "Advisory Committee").

(2) MEMBERSHIP.—The Advisory Committee shall consist of 9 members appointed by the Secretary of the Treasury, after appropriate consultations with the relevant organizations, as follows:

(A) 1 member shall be a former Secretary or Deputy Secretary of the Treasury, who shall serve as the chairman of the Advisory Committee.

(B) 2 members shall be representatives from organized labor.

(C) 2 members shall be representatives from banking and financial services.

(D) 2 members shall be representatives from industry and agriculture.

(E) 2 members shall be representatives from nongovernmental environmental and human rights organizations.

(3) DUTIES.—Not less frequently than every 6 months, the Advisory Committee shall meet with the Secretary of the Treasury or the Deputy Secretary of the Treasury to review, and provide advice on, the extent to which individual country International Monetary Fund programs meet the policy goals set forth in this Act regarding the International Monetary Fund.

(4) INAPPLICABILITY OF TERMINATION PROVISION OF THE FEDERAL ADVISORY COMMITTEE ACT.—Section 14(a)(2) of the Federal Advisory Committee Act shall not apply to the Advisory Committee.

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SEC. 1704. REPORTS ON FINANCIAL STABILIZATION PROGRAMS LED BY THE INTERNATIONAL MONETARY FUND IN CONNECTION WITH FINANCING FROM THE EXCHANGE STABILIZATION FUND.

(a) IN GENERAL.—The Secretary of the Treasury, in consultation with the Secretary of Commerce and other appropriate Federal agencies, shall prepare reports on the implementation of financial stabilization programs (and any material terms and conditions thereof) led by the International Monetary Fund in countries in connection with which the United States has made a commitment to provide, or has provided financing from the stabilization fund established under section 5302 of title 31, United States Code. The reports shall include the following:

(1) A description of the condition of the economies of countries requiring the financial stabilization programs, including the monetary, fiscal, and exchange rate policies of the countries.

(2) A description of the degree to which the countries requiring the financial stabilization programs have fully implemented financial sector restructuring and reform measures required by the International Monetary Fund, including—

(A) ensuring full respect for the commercial orientation of commercial bank lending;

(B) ensuring that governments will not intervene in bank management and lending decisions (except in regard to prudential supervision);

(C) the enactment and implementation of appropriate financial reform legislation;

(D) strengthening the domestic financial system and improving transparency and supervision; and

(E) the opening of domestic capital markets.

(3) A description of the degree to which the countries requiring the financial stabilization programs have fully implemented reforms required by the International Monetary Fund that are directed at corporate governance and corporate structure, including—

(A) making nontransparent conglomerate practices more transparent through the application of internationally ac-

cepted accounting practices, independent external audits, full disclosure, and provision of consolidated statements; and

(B) ensuring that no government subsidized support or tax privileges will be provided to bail out individual corporations, particularly in the semiconductor, steel, and paper industries.

(4) A description of the implementation of reform measures required by the International Monetary Fund to deregulate and privatize economic activity by ending domestic monopolies, undertaking trade liberalization, and opening up restricted areas of the economy to foreign investment and competition.

(5) A detailed description of the trade policies of the countries, including any unfair trade practices or adverse effects of the trade policies on the United States.

(6) A description of the extent to which the financial stabilization programs have resulted in appropriate burden-sharing among private sector creditors, including rescheduling of outstanding loans by lengthening maturities, agreements on debt reduction, and the extension of new credit.

(7) A description of the extent to which the economic adjustment policies of the International Monetary Fund and the policies of the government of the country adequately balance the need for financial stabilization, economic growth, environmental protection, social stability, and equity for all elements of the society.

(8) Whether International Monetary Fund involvement in labor market flexibility measures has had a negative effect on core worker rights, particularly the rights of free association and collective bargaining.

(9) A description of any pattern of abuses of core worker rights in recipient countries.

(10) The amount, rate of interest, and disbursement and repayment schedules of any funds disbursed from the stabilization fund established under section 5302 of title 31, United States Code, in the form of loans, credits, guarantees, or swaps, in support of the financial stabilization programs.

(11) The amount, rate of interest, and disbursement and repayment schedules of any funds disbursed by the International Monetary Fund to the countries in support of the financial stabilization programs.

(b) TIMING.—Not later than October 1, 1998, and semiannually thereafter, the Secretary of the Treasury shall submit to the Committees on Banking and Financial Services and International Relations of the House of Representatives and the Committees on Foreign Relations, and Banking, Housing, and Urban Affairs of the Senate a report on the matters described in subsection (a).

SEC. 1705. ANNUAL REPORT AND TESTIMONY ON THE STATE OF THE INTERNATIONAL FINANCIAL SYSTEM, IMF REFORM, AND COMPLIANCE WITH IMF AGREEMENTS.

(a) REPORTS.—Not later than October 1 of each year, the Secretary of the Treasury shall submit to the Committee on Banking and Financial Services of the House of Representatives and the Committee on Foreign Relations of the Senate a written report on

the progress (if any) made by the United States Executive Director at the International Monetary Fund in influencing the International Monetary Fund to adopt the policies and reform its internal procedures in the manner described in section 1503.

(b) TESTIMONY.—After submitting the report required by subsection (a) but not later than October 31 of each year, the Secretary of the Treasury shall appear before the Committee on Banking and Financial Services of the House of Representatives and the Committee on Foreign Relations of the Senate and present testimony on—

(1) any progress made in reforming the International Monetary Fund;

(2) the status of efforts to reform the international financial system; and

(3) the compliance of countries which have received assistance from the International Monetary Fund with agreements made as a condition of receiving the assistance.

SEC. 1706. AUDITS OF THE INTERNATIONAL MONETARY FUND.

(a) ACCESS TO MATERIALS.—Not later than 30 days after the date of the enactment of this section, the Secretary of the Treasury shall certify to the Committee on Banking and Financial Services of the House of Representatives and the Committee on Foreign Relations of the Senate that the Secretary has instructed the United States Executive Director at the International Monetary Fund to facilitate timely access by the General Accounting Office to information and documents of the International Monetary Fund needed by the Office to perform financial reviews of the International Monetary Fund that will facilitate the conduct of United States policy with respect to the Fund.

(b) REPORTS.—Not later than June 30, 1999, and annually thereafter, the Comptroller General of the United States shall prepare and submit to the committees specified in subsection (a) a report on the financial operations of the Fund during the preceding year, which shall include—

(1) the current financial condition of the International Monetary Fund;

(2) the amount, rate of interest, disbursement schedule, and repayment schedule for any loans that were initiated or outstanding during the preceding calendar year, and with respect to disbursement schedules, the report shall identify and discuss in detail any conditions required to be fulfilled by a borrower country before a disbursement is made;

(3) a detailed description of whether the trade policies of borrower countries permit free and open trade by the United States and other foreign countries in the borrower countries;

(4) a detailed description of the export policies of borrower countries and whether the policies may result in increased export of their products, goods, or services to the United States which may have significant adverse effects on, or result in unfair trade practices against or affecting United States companies, farmers, or communities;

(5) a detailed description of any conditions of International Monetary Fund loans which have not been met by borrower countries, including a discussion of the reasons why such condi-

tions were not met, and the actions taken by the International Monetary Fund due to the borrower country's noncompliance;

(6) an identification of any borrower country and loan on which any loan terms or conditions were renegotiated in the preceding calendar year, including a discussion of the reasons for the renegotiation and any new loan terms and conditions; and

(7) a specification of the total number of loans made by the International Monetary Fund from its inception through the end of the period covered by the report, the number and percentage (by number) of such loans that are in default or arrears, and the identity of the countries in default or arrears, and the number of such loans that are outstanding as of the end of period covered by the report and the aggregate amount of the outstanding loans and the average yield (weighted by loan principal) of the historical and outstanding loan portfolios of the International Monetary Fund.

* * * * * * *

Language is included in the Interior Chapter in which section 330C(c) of subpart I of part D of title III of the Public Health Service Act (42 U.S.C. 254b et seq.) as amended by section 4922 of Public Law 105–33, is further amended as follows:

(c) FUNDING.—Notwithstanding section 2104(a) of the Social Security Act, from the amounts appropriated in such section for each of fiscal years 1998 through 2002, $30,000,000, *to remain available until expended,* is hereby transferred and made available in such fiscal year for grants under this section.

Language included in Chapter 6 would amend the Departments of Labor, Health and Human Services, and Education, and Related Agencies Appropriations Act, 1998, as follows:

DEPARTMENTS OF LABOR, HEALTH AND HUMAN SERVICES, AND EDUCATION, AND RELATED AGENCIES APPROPRIATIONS ACT, 1998 (PUB. LAW 105–78)

* * * * *

TITLE III

* * * * *

DEPARTMENT OF EDUCATION

* * * * *

SPECIAL EDUCATION

For carrying out the Individuals with Disabilities Education Act, $4,810,646,000, of which $4,565,185,000 shall become available for obligation on July 1, 1998, and shall remain available through September 30, 1999: *Provided,* That $1,500,000 of the funds provided shall be for section 687(b)(2)(G), and shall remain available until expended:

Provided further, That $600,000 of the funds provided shall be for the Early Childhood Development Project of the Easter Seal Society for the Mississippi River Delta Region.

APPROPRIATIONS NOT AUTHORIZED BY LAW

Pursuant to clause 3 of rule XXI of the Rules of the House of Representatives, the following table lists the appropriations in the accompanying bill which are not authorized by law:

DEPARTMENT OF AGRICULTURE

Office of the Secretary for expenses to compensate producers for quarantine related to karnal bunt.

DEPARTMENT OF STATE

International Organizations and Conferences, Arrearage Payments

INTERNATIONAL MONETARY PROGRAMS

Loans to International Monetary Fund
United States Quota, International Monetary Fund

HOUSE OF REPRESENTATIVES

Death gratuities for two deceased Members of Congress.

DEPARTMENT OF THE TREASURY

Automation Enhancement
Treasury Building and Annex Repair and Restoration
Financial Management Service

TRANSFER OF FUNDS

Pursuant to clause 1(b) of rule X of the Rules of the House of Representatives, the following is submitted describing the transfer of funds provided in the accompanying bill.

The following table shows the appropriations affected by the transfers:

Account to which transfer is to be made	Amount	Account from which transfer is to be made	Amount
Dept of the Interior, Office of Surface Mining Reclamation & Enforcement: Abandoned Mine Reclamation Fund.	$3,163,000	Dept of the Interior, Office of Surface Mining Reclamation & Enforcement: Regulation and Technology.	$3,163,000

Language has been included under the National Aeronautics and Space Administration permitting the transfer of $173,000,000 from science, aeronautics and technology and mission support to human space flight.

RESCISSIONS

Pursuant to clause 1(b) of rule X of the Rules of the House of Representatives, the following table is submitted describing the rescissions recommended in the accompanying bill:

RESCISSIONS RECOMMENDED IN THE BILL

Department and activity	*Amounts recommended for rescission*
Agricultural Research Service	$223,000
Animal and Plant Health Inspection Service	350,000
Agricultural Marketing Service	25,000
Grain Inspection, Packers and Stockyards Administration	38,000
Food Safety and Inspection Service	502,000
Farm Service Agency	1,080,000
Agricultural Credit Insurance Fund	6,737,000
Natural Resources Conservation Service	378,000
Rural Housing Service	846,000
Food and Nutrition Service	114,000
Department of the Interior:	
Bureau of Land Management, Management of Lands and Resources	1,188,000
Bureau of Land Management, Oregon and California Grant Lands	2,500,000
United States Fish and Wildlife Service, Resource Management	250,000
United States Fish and Wildlife Service, Construction	1,188,000
National Park Service, Construction	1,638,000
Bureau of Mines, Mines and Minerals	1,605,000
Bureau of Indian Affairs, Construction	737,000
Department of Agriculture:	
Forest Service, Forest and Rangeland Research	148,000
Forest Service, State and Private Forestry	59,000
Forest Service, National Forest System	1,094,000
Forest Service, Wildland Fire Management	148,000
Forest Service, Reconstruction and Construction	30,000
Department of Transportation:	
Office of the Secretary, Payments to air carriers	2,500,000
Office of the Secretary, Payments to air carriers (Airport and Airway Trust Fund)	3,000,000
Federal Aviation Administration, Facilities, engineering, and development	500,000
Federal Aviation Administration, Grants-in-aid for airports (Airport and Airway Trust Fund)	30,000,000
Federal Railroad Administration, Conrail labor protection	508,234
Department of the Treasury:	
Treasury Building and Annex Repair and Restoration	17,000,000
United States Customs Service	6,000,000
Internal Revenue Service, Information Technology Investments	27,410,000

Comparison With the Budget Resolution

Section 308(a)(1)(A) of the Congressional Budget and Impoundment Control Act of 1974 (Public Law 93–344), as amended, requires that the report accompanying a bill providing new budget authority contain a statement detailing how that authority compares with the reports submitted under section 302 of the Act for the most recently agreed to concurrent resolution on the budget for the fiscal year. All discretionary budget authority provided in the accompanying bill is offset therein or will generate an increase in the allocation in accordance with the most recently agreed to concurrent resolution on the budget.

Five-Year Outlay Projections

In compliance with section 308(a)(1)(B) of the Congressional Budget and Impoundment Control Act of 1974 (Public Law 93–344), as amended, the following table contains five-year projections associated with the budget authority provided in the accompanying bill:

[In thousands]

Budget Authority	18,414
Outlays:	
Fiscal year 1998	353
Fiscal year 1999	448
Fiscal year 2000	56
Fiscal year 2001	−8
Fiscal year 2002 and future years	−2

ASSISTANCE TO STATE AND LOCAL GOVERNMENTS

In accordance with section 308(a)(1)(C) of the Congressional Budget and Impoundment Control Act of 1974 (Public Law 93–344), as amended, the financial assistance to State and local governments is as follows:

[In millions]

New budget authority	−30
Fiscal year 1998 outlays resulting therefrom	−1

CONSTITUTIONAL AUTHORITY

Clause 2(l)(4) of rule XI of the Rules of the House of Representatives states that:

> Each report of a committee on a bill or joint resolution of a public character, shall include a statement citing the specific powers granted to the Congress in the Constitution to enact the law proposed by the bill or joint resolution.

The Committee on Appropriations bases its authority to report this legislation from Clause 7 of Section 9 of Article I of the Constitution of the United States of America which states:

> No money shall be drawn from the Treasury but in consequence of Appropriations made by law * * *

Appropriations contained in this Act are made pursuant to this specific power granted by the Constitution.

Full Committee Votes

Pursuant to the provisions of clause 2(l)(2)(b) of rule XI of the House of Representatives, the results of each rollcall vote on an amendment or on the motion to report, together with the names of those voting for and those voting against, are printed below:

Full Committee Votes

Pursuant to the provisions of clause 2(l)(2)(b) of rule XI of the House of Representatives, the results of each roll call vote on an amendment or on the motion to report, together with the names of those voting for and those voting against, are printed below:

ROLLCALL NO. 1

Date: March 24, 1998.

Measure: Making Supplemental Appropriations and Rescissions for Fiscal Year 1998.

Motion by: Mr. Obey.

Description of Motion: To amend conditions on the use of funding for the International Monetary Fund (IMF) to conform with authorization bill.

Results: Rejected 25 yeas to 29 nays.

Members Voting Yea

Mr. Cramer
Ms. DeLauro
Mr. Dicks
Mr. Dixon
Mr. Edwards
Mr. Fazio
Mr. Hefner
Miss. Kaptur
Mrs. Lowey
Mrs. Meek
Mr. Mollohan
Mr. Moran
Mr. Murtha
Mr. Obey
Mr. Olver
Mr. Pastor
Ms. Pelosi
Mr. Price
Mr. Sabo
Mr. Serrano
Mr. Skaggs
Mr. Stokes
Mr. Torres
Mr. Wolf
Mr. Yates

Members Voting Nay

Mr. Aderholt
Mr. Bonilla
Mr. Cunningham
Mr. Dickey
Mr. Forbes
Mr. Frelinghuysen
Mr. Hobson
Mr. Istook
Mr. Knollenberg
Mr. Kolbe
Mr. Latham
Mr. Lewis
Mr. Livingston
Mr. McDade
Mr. Miller
Mr. Nethercutt
Mr. Neumann
Mrs. Northup
Mr. Packard
Mr. Porter
Mr. Regula
Mr. Rogers
Mr. Skeen
Mr. Taylor
Mr. Tiahrt
Mr. Walsh
Mr. Wamp
Mr. Wicker
Mr. Young

ROLLCALL NO. 2

Date: March 24, 1998.

Measure: Making Supplemental Appropriations and Rescissions for Fiscal Year 1998.

Motion by: Mr. Obey.

Description of Motion: To increase funding for arrearages for the United Nations and to conform the UN reforms with authorization bill.

Results: Rejected 25 yeas to 30 nays.

Members Voting Yea	*Members Voting Nay*
Mr. Cramer	Mr. Aderholt
Ms. DeLauro	Mr. Bonilla
Mr. Dicks	Mr. Cunningham
Mr. Dixon	Mr. DeLay
Mr. Edwards	Mr. Dickey
Mr. Fazio	Mr. Forbes
Mr. Hefner	Mr. Frelinghuysen
Miss. Kaptur	Mr. Hobson
Mrs. Lowey	Mr. Knollenberg
Mrs. Meek	Mr. Kolbe
Mr. Mollohan	Mr. Latham
Mr. Moran	Mr. Lewis
Mr. Murtha	Mr. Livingston
Mr. Obey	Mr. McDade
Mr. Olver	Mr. Miller
Mr. Pastor	Mr. Nethercutt
Ms. Pelosi	Mr. Neumann
Mr. Price	Mrs. Northup
Mr. Sabo	Mr. Packard
Mr. Serrano	Mr. Porter
Mr. Skaggs	Mr. Regula
Mr. Stokes	Mr. Rogers
Mr. Torres	Mr. Skeen
Mr. Visclosky	Mr. Taylor
Mr. Yates	Mr. Tiahrt
	Mr. Walsh
	Mr. Wamp
	Mr. Wicker
	Mr. Wolf
	Mr. Young

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY ESTIMATES AND AMOUNTS RECOMMENDED IN THE BILL

H. Doc.	Department or activity (1)	Budget estimates (2)	Recommended in the bill (3)	Bill compared with estimates (4)
	FY 1998 SUPPLEMENTAL APPROPRIATIONS AND RESCISSIONS			
	TITLE I - SUPPLEMENTAL APPROPRIATIONS			
	CHAPTER 1			
	DEPARTMENT OF AGRICULTURE			
	Office of the Secretary		5,000,000	+5,000,000
104-216	Departmental administration	4,800,000	4,300,000	-500,000
104-216	Office of the General Counsel	235,000	235,000	
	Farm Service Agency			
	Agricultural Credit Insurance Fund Program Account:			
	Loan authorizations:			
	Farm ownership loans:			
104-228	Direct	(39,448,000)	(39,448,000)	
104-228	Guaranteed	(25,000,000)	(25,000,000)	
	Subtotal	(64,448,000)	(64,448,000)	
	Farm operating loans:			
104-228	Direct	(9,528,000)	(9,528,000)	
	Guaranteed subsidized		(40,000,000)	(+40,000,000)
	Subtotal	(9,528,000)	(49,528,000)	(+40,000,000)

....	Boll weevil eradication loans	....	(18,814,000)	(+18,814,000)
	Total, Loan authorizations	(73,976,000)	(132,790,000)	(+58,814,000)
	Loan subsidies:			
	Farm ownership loans:			
104-228	Direct	5,144,000	5,144,000	....
104-228	Guaranteed	967,000	967,000	....
	Subtotal	6,111,000	6,111,000	....
	Farm operating loans:			
104-228	Direct	626,000	626,000	....
....	Guaranteed subsidized	....	3,374,000	+3,374,000
	Subtotal	626,000	4,000,000	+3,374,000
....	Boll weevil eradication loans	....	222,000	+222,000
	Total, Farm Service Agency	6,737,000	10,333,000	+3,596,000
	Total, Department of Agriculture	11,772,000	19,868,000	+8,096,000
	DEPARTMENT OF HEALTH AND HUMAN SERVICES			
	Food and Drug Administration			
104-177	Prescription drug user fee act	(26,000,000)	(15,596,000)	(-10,404,000)
	Total, Chapter 1:			
	New budget (obligational) authority	11,772,000	19,868,000	+8,096,000
	(Loan authorizations)	(73,976,000)	(132,790,000)	(+58,814,000)

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY ESTIMATES AND AMOUNTS RECOMMENDED IN THE BILL—Continued

H. Doc.	Department or activity (1)	Budget estimates (2)	Recommended in the bill (3)	Bill compared with estimates (4)
	CHAPTER 2			
	DEPARTMENT OF STATE			
	International Organizations and Conferences			
104-213	Arrearage payments (advance appropriation, FY 1999)	475,000,000	475,000,000	
104-213	Advance appropriation, FY 2000	446,000,000	30,000,000	-416,000,000
	Total, Chapter 2:			
	New budget (obligational) authority	921,000,000	505,000,000	-416,000,000
	Advance appropriation, FY 1999	(475,000,000)	(475,000,000)	
	Advance appropriation, FY 2000	(446,000,000)	(30,000,000)	(-416,000,000)
	CHAPTER 3			
	DEPARTMENT OF ENERGY			
104-216	Departmental administration	5,408,000	5,408,000	
104-216	Miscellaneous revenues	-5,408,000	-5,408,000	
	Atomic Energy Defense Activities			
104-216	Defense environmental restoration and waste management (by transfer)	(12,000,000)		(-12,000,000)

	CHAPTER 4			
	MULTILATERAL ECONOMIC ASSISTANCE			
	Funds Appropriated to the President			
	International Monetary Fund			
104-213	United States quota, International Monetary Fund	14,500,000,000	14,500,000,000	....
104-213	Loans to International Monetary Fund	3,400,000,000	3,400,000,000	....
	Total, Chapter 4:			
	New budget (obligational) authority	17,900,000,000	17,900,000,000	....
	CHAPTER 5			
	DEPARTMENT OF THE INTERIOR			
	Minerals Management Service			
104-216	Royalty and offshore minerals management	6,675,000	6,675,000	....
	Office of Surface Mining Reclamation and Enforcement			
104-216	Abandoned mine reclamation fund (by transfer)	(3,163,000)	(3,163,000)	....
	Bureau of Indian Affairs			
104-216	Operation of Indian programs	1,050,000	1,050,000	....
	Departmental Offices			
104-216	Office of Special Trustee for American Indians	4,650,000	4,650,000	....
	Total, Chapter 5:			
	New budget (obligational) authority	12,375,000	12,375,000	....
	(By transfer)	(3,163,000)	(3,163,000)	....

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY ESTIMATES AND AMOUNTS RECOMMENDED IN THE BILL—Continued

H. Doc.	Department or activity (1)	Budget estimates (2)	Recommended in the bill (3)	Bill compared with estimates (4)
	CHAPTER 6			
	DEPARTMENT OF HEALTH AND HUMAN SERVICES			
	Health Care Financing Administration			
104-220	Program management	16,000,000	16,000,000	....
	CHAPTER 7			
	CONGRESSIONAL OPERATIONS			
	HOUSE OF REPRESENTATIVES			
	Payments to Widows and Heirs of Deceased Members of Congress			
....	Gratuities, deceased Members	....	270,300	+270,300
	JOINT ITEMS			
	Capitol Police Board			
	Capitol Police			
....	General expenses (by transfer)	....	(4,000,000)	(+4,000,000)

	ARCHITECT OF THE CAPITOL			
	Capitol Buildings and Grounds			
104-177	Capitol buildings, salaries and expenses 1/	7,500,000	7,500,000	....
104-177	Capitol grounds 1/	20,000,000	20,000,000	....
	Total, Architect of the Capitol	27,500,000	27,500,000	....
	Total, Chapter 7:			
	New budget (obligational) authority	27,500,000	27,770,300	+270,300
	(By transfer)	....	(4,000,000)	(+4,000,000)
	CHAPTER 8			
	DEPARTMENT OF TRANSPORTATION			
	Office of the Secretary			
....	Amtrak Reform Council	....	2,450,000	+2,450,000
	RELATED AGENCY			
	National Transportation Safety Board			
104-216	Salaries and expenses	5,400,000	5,400,000	....
	Total, Chapter 8:			
	New budget (obligational) authority	5,400,000	7,850,000	+2,450,000
	CHAPTER 9			
	DEPARTMENT OF THE TREASURY			
....	Automation enhancement	....	28,110,000	+28,110,000
....	Treasury building and annex repair and restoration	....	17,000,000	+17,000,000
....	Financial Management Service	....	5,300,000	+5,300,000

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY ESTIMATES AND AMOUNTS RECOMMENDED IN THE BILL—Continued

H. Doc.	Department or activity (1)	Budget estimates (2)	Recommended in the bill (3)	Bill compared with estimates (4)
	General Provisions			
104-216	Year 2000 century date change conversion (by transfer)	(250,000,000)		(-250,000,000)
	Total, Chapter 9:			
	New budget (obligational) authority		50,410,000	+50,410,000
	(By transfer)	(250,000,000)		(-250,000,000)
	CHAPTER 10			
	DEPARTMENT OF VETERANS AFFAIRS			
	Veterans Benefits Administration			
104-177	Compensation and pensions	550,000,000	550,000,000	
	INDEPENDENT AGENCY			
	National Aeronautics and Space Administration			
104-216	Human space flight (by transfer)	(173,000,000)	(173,000,000)	
	Total, title I:			
	New budget (obligational) authority	19,444,047,000	19,089,273,300	-354,773,700
	Appropriations	(18,523,047,000)	(18,584,273,300)	(+61,226,300)
	Advance appropriation, FY 1999	(475,000,000)	(475,000,000)	
	Advance appropriation, FY 2000	(446,000,000)	(30,000,000)	(-416,000,000)
	(By transfer)	(438,163,000)	(180,163,000)	(-258,000,000)
	(Loan authorizations)	(73,976,000)	(132,790,000)	(+58,814,000)

	TITLE II - RESCISSIONS			
	DEPARTMENT OF AGRICULTURE			
104-215	Agricultural Research Service (rescission)	-223,000	-223,000	....
	Animal and Plant Health Inspection Service			
104-215	Salaries and expenses (rescission)	-350,000	-350,000	....
	Agricultural Marketing Service			
104-215	Marketing services (rescission)	-25,000	-25,000	....
104-215	Grain Inspection, Packers and Stockyards Administration (rescission).	-38,000	-38,000	....
104-215	Food Safety and Inspection Service (rescission)	-502,000	-502,000	....
	Farm Service Agency			
104-215	Salaries and expenses (rescission)	-1,080,000	-1,080,000	....
	Agricultural Credit Insurance Fund Program Account:			
104-228	Farm operating loans: Guaranteed unsubsidized (rescission)	-6,737,000	-6,737,000	....
	Total, Farm Service Agency	-7,817,000	-7,817,000	....
	Natural Resources Conservation Service			
104-215	Conservation operations (rescission)	-378,000	-378,000	....
....	Conservation farm option program (offset)	....	-4,000,000	-4,000,000
	Total, Natural Resources Conservation Service	-378,000	-4,378,000	-4,000,000
	Rural Housing Service			
104-215	Salaries and expenses (rescission)	-846,000	-846,000	....

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY ESTIMATES AND AMOUNTS RECOMMENDED IN THE BILL—Continued

H. Doc.	Department or activity (1)	Budget estimates (2)	Recommended in the bill (3)	Bill compared with estimates (4)
	Food and Nutrition Service			
104-215	Child nutrition programs (rescission)	-114,000	....	+114,000
....	Food program administration (rescission)	....	-114,000	-114,000
	Total, Department of Agriculture	-10,293,000	-14,293,000	-4,000,000
	DEPARTMENT OF TRANSPORTATION			
	Maritime Administration			
	Maritime Guaranteed Loan (Title XI) Program Account:			
104-215	Guaranteed loans subsidy (rescission)	-2,138,000	....	+2,138,000
	DEPARTMENT OF THE INTERIOR			
	Bureau of Reclamation			
104-215	Water and related resources (rescission)	-532,000	....	+532,000
	DEPARTMENT OF THE INTERIOR			
	Bureau of Land Management			
104-215	Management of lands and resources (rescission)	-1,188,000	-1,188,000	....
104-215	Oregon and California grant lands (rescission)	-2,500,000	-2,500,000	....
	Total, Bureau of Land Management	-3,688,000	-3,688,000	....

	United States Fish and Wildlife Service			
....	Resource management (rescission)	....	-250,000	-250,000
104-215	Construction (rescission)	-1,188,000	-1,188,000	....
	Total, United States Fish and Wildlife Service	-1,188,000	-1,438,000	-250,000
	National Park Service			
104-215	Construction (rescission)	-1,638,000	-1,638,000	....
	Minerals Management Service			
104-216	Royalty and offshore minerals management (offset)	-3,675,000	-3,675,000	....
	Bureau of Mines			
104-215	Mines and minerals (rescission)	-1,605,000	-1,605,000	....
	Bureau of Indian Affairs			
104-215	Construction (rescission)	-737,000	-737,000	....
	Total, Department of the Interior	-12,531,000	-12,781,000	-250,000
	DEPARTMENT OF AGRICULTURE			
	Forest Service			
104-215	Forest and rangeland research (rescission)	-148,000	-148,000	....
104-215	State and private forestry (rescission)	-59,000	-59,000	....
104-215	National forest system (rescission)	-1,094,000	-1,094,000	....
104-215	Wildland fire management (rescission)	-148,000	-148,000	....
104-215	Reconstruction and construction (rescission)	-30,000	-30,000	....
	Total, Forest Service	-1,479,000	-1,479,000	....

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY ESTIMATES AND AMOUNTS RECOMMENDED IN THE BILL—Continued

H. Doc.	Department or activity (1)	Budget estimates (2)	Recommended in the bill (3)	Bill compared with estimates (4)
	DEPARTMENT OF HEALTH AND HUMAN SERVICES			
	Health Care Financing Administration			
104-220	Peer review organizations (offset)	-16,000,000	-16,000,000	....
	DEPARTMENT OF TRANSPORTATION			
	Office of the Secretary			
104-215	Payments to air carriers (rescission)	-2,499,000	-2,500,000	-1,000
104-215	Payments to air carriers (Airport and Airway Trust Fund) (rescission of contract authorization)	-1,000,000	-3,000,000	-2,000,000
	Total, Office of the Secretary	-3,499,000	-5,500,000	-2,001,000
	Federal Aviation Administration			
....	Facilities, engineering, and development (rescission)	....	-500,000	-500,000
....	Grants-in-aid for airports (Airport and Airway Trust Fund) (rescission of contract authorization)	....	-30,000,000	-30,000,000
	Total, Federal Aviation Administration	....	-30,500,000	-30,500,000
	Federal Railroad Administration			
....	Conrail labor protection (rescission)	....	-508,234	-508,234
	Total, Department of Transportation	-3,499,000	-36,508,234	-33,009,234

	DEPARTMENT OF THE TREASURY			
	Treasury building and annex repair and restoration			
....	(rescission)	....	-17,000,000	-17,000,000
	United States Customs Service:			
....	Salaries and expenses (rescission)	....	-6,000,000	-6,000,000
	Internal Revenue Service:			
....	Information technology investments (rescission)	....	-27,410,000	-27,410,000
	Total, Department of the Treasury	....	-50,410,000	-50,410,000
	Total, title II:			
	New budget (obligational) authority	-46,472,000	-131,471,234	-84,999,234
	Rescissions	(-25,797,000)	(-74,796,234)	(-48,999,234)
	Rescissions of contract authorization	(-1,000,000)	(-33,000,000)	(-32,000,000)
	Grand total, all titles:			
	New budget (obligational) authority (net)	19,397,575,000	18,957,802,066	-439,772,934
	Appropriations	(18,523,047,000)	(18,584,273,300)	(+61,226,300)
	Rescissions	(-25,797,000)	(-74,796,234)	(-48,999,234)
	Rescissions of contract authorization	(-1,000,000)	(-33,000,000)	(-32,000,000)
	Offsets	(-19,675,000)	(-23,675,000)	(-4,000,000)
	Advance appropriation, FY 1999	(475,000,000)	(475,000,000)	....
	Advance appropriation, FY 2000	(446,000,000)	(30,000,000)	(-416,000,000)
	(By transfer)	(438,163,000)	(180,163,000)	(-258,000,000)
	(Loan authorizations)	(73,976,000)	(132,790,000)	(+58,814,000)

1/ FY 1999 request.

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY ESTIMATES AND AMOUNTS RECOMMENDED IN THE BILL—Continued

H. Doc.	Department or activity (1)	Budget estimates (2)	Recommended in the bill (3)	Bill compared with estimates (4)
	RECAP			
	Gross appropriations	19,444,047,000	19,089,273,300	-354,773,700
	Activities for which the discretionary cap is adjusted	18,821,000,000	18,405,000,000	-416,000,000
	FY98 IMF appropriations	(17,900,000,000)	(17,900,000,000)	
	FY99 UN arrearages	(475,000,000)	(475,000,000)	
	FY00 UN arrearages	(446,000,000)	(30,000,000)	(-416,000,000)
	Activities which score as mandatory	549,886,000	550,270,300	+384,300
	VA compensation and pensions	(550,000,000)	(550,000,000)	
	Deceased Members gratuities		(270,300)	(+270,300)
	Activities which score against the discretionary allocation	26,689,000	2,531,766	-24,157,234
	Appropriations	(73,047,000)	(134,003,000)	(+60,956,000)
	Rescissions	(-26,797,000)	(-107,796,234)	(-80,999,234)
	Offsets	(-19,675,000)	(-23,675,000)	(-4,000,000)

DISSENTING VIEWS OF HON. DAVID OBEY

This supplemental appropriation bill contains two items that are urgently needed to protect U.S. economic, military and political interests around the world. First, funds are provided that will allow the United States to make an additional deposit in the International Monetary Fund permitting that organization to deal with the recent spate of currency crises in Asia and manage similar crises in other parts of the world when they erupt. Second, it contains part of the money needed to pay the U.S. arrearages to the United Nations, allow U.S. representatives in that organization to negotiate the reforms mandated by Congress and return the U.S. to a position of good standing within the organization. In addition, the bill contains the funds that are necessary to provide U.S. veterans the full benefits due under existing mandatory spending authority.

Unfortunately, the Republican leadership of the House has made two tactical decisions which will delay consideration of this legislation and significantly reduce the prospects that these funds will be available when needed. First, they have decided to separate this bill from a second appropriation act containing supplemental funding for U.S. troops serving overseas in Bosnia and the Persian Gulf as well as funds for dealing with natural disasters which have afflicted more than 16 states here at home since the first of the year. In our opinion the separation of the President's supplemental requests into two packages weakens both. But more importantly, it significantly delays consideration of this bill since only the military and disaster funding legislation will be scheduled for floor consideration before the Congress recesses for twenty days in April.

Secondly, the leadership has decided to permit an amendment to be offered to this supplemental that will place a restriction on the activities of organizations that receive U.S. international family planning funds despite the fact that no such funds are contained in this legislation. The apparent reason for this decision is the recognition that the funds in this bill are critically needed and will therefore provide the House members seeking this change in family planning policy with unusually powerful leverage to overcome their opponents on the family planning issue.

Both of these decisions are highly irresponsible. They place the American people at serious risk in two of the most dangerous crises in this decade. We believe the House should act to overturn these decisions, reattaching this bill to the one to be considered before the April recess and not permitting extraneous and nongermane controversies to be injected into the debate.

BACKGROUND ON THE ASIAN FINANCIAL CRISIS

Nearly a year ago international financial markets began to become nervous over the health of Thailand's economy. Thailand did not suffer from the problems that have plagued most developing economies. The budget of the Thai government had consistently been in or near balance. Inflation remained quite low as did unemployment.

The private sector in Thailand, however, had borrowed extensively to finance a wide range of economic activities ranging from new manufacturing facilities to high rise office and apartment complexes. Much of the money being borrowed was foreign, the loans were denominated in foreign currencies and the terms of the loans ranged from a few months to no more than a few years. None of this would have been problematic had the Thai economy continued its rapid growth pace and the Thai currency remained stable. But as the U.S. dollar strengthened against other world currencies in the mid 1990s, the Thai baht which was pegged at 25 to the dollar strengthened as well, and Thai labor became too expensive relative to other labor in the developing world, particularly in China. Exports had ceased to grow and by 1996 the country had developed a large trade deficit.

By mid-May of 1997, savvy currency speculators began to realize that the foreign reserves held by Thai banks and businesses would be inadequate to cover repayment of the nation's private sector loans. They further recognized that the only plausible means of reversing the downward spiral in nation's trade deficit and continued loss of foreign currency was devaluation of the baht. The Central Bank and the Government were both slow in recognizing that the currency could not be supported but by the end of June the Bank of Thailand was forced to surrender and allow currency to float against other world currencies. It immediately fell by more than 20%, and by last fall it had fallen by more than 100%.

The economic devastation and destruction of personal wealth has by any standard been extraordinary. Of the 77 Thai finance companies that existed a year ago, 58 have been closed, the employees fired and the remaining assets seized. The owners have lost 100% of their equity. Most of the remaining finance companies are deeply troubled as are the majority of Thai banks. There are literally dozens of partially completed skyscrapers across the Bangkok skyline. They can not be occupied and there are no funds for completion. All work has ceased and it is doubtful whether it will resume in the near future or perhaps even at all. Virtually all companies in the construction sector are a complete loss. Manufacturers are also reeling under the burden of foreign debt and from a lack of liquidity to purchase the imports necessary to their production process. Since their sales are denominated in baht and their debt in Yen, Dollars and Marks, the size of their debts in local currency have nearly doubled and their major customer, the Thai consumer, has all but left the market place. Despite the decline in the currency and the cost of Thai made products, manufactured exports had actually declined by late 1997 and early 1998. Even agricultural production is expected to fall because of the lack of the foreign currency needed to purchase fertilizers and insecticides.

The same process which began in Thailand in May struck the Philippines only a few weeks later and Malaysia and Hong Kong shortly after that. Eventually Indonesia and Korea were also hit. Japan appears to be wobbling under the weight of its own serious banking crisis, made worse by the massive losses its banks and other lenders will eventually suffer in Thailand and the other developing Asian economies. China is struggling with the prospect of a dramatic decrease in economic growth brought about by the loss of major markets for its own exports and having to compete against wages in the rest of Asia that are suddenly lower than Chinese wages.

IMPACT ON THE UNITED STATES

This crisis threatens the United States in a number of important ways. Asia has been an important U.S. market, particularly for agricultural and high tech products. Certain categories of U.S. producers will suffer significant losses in sales and will be forced to reduce employment. More troubling is the prospect that various international corporations will seize upon the continued weakness of these currencies and began massive relocation of manufacturing capacity to certain parts of Asia for the purpose of exporting the U.S. market. This could have a devastating effect on the U.S. trade deficit, on U.S.-based manufacturing and on manufacturing employment in the U.S. Also troubling is the prospect that some of these economies will continue to deteriorate, that economic turmoil will be followed by political turmoil, civil strife and starvation—creating massive refugee, security and human rights problems which the United States will be forced to contend with.

Finally, the most frightening prospect is the possibility that what has happened in Asia may spread to other countries with high levels of foreign debt and little in the way of foreign reserves. Countries about which these concerns have been raised include Turkey, Brazil, India, Ukraine and Russia. The prospect of such massive economic instability striking a country with vast stores of weapons of mass destruction is particularly disturbing.

WHAT STEPS CAN BE TAKEN TO PROTECT AMERICAN INTERESTS

The United States faces a number of options. One is to do nothing and hope that the crisis doesn't spread, that the affected nations institute the necessary reforms on their own and that when these nations eventually raise the liquidity they need to rejoin the world economy they will have somehow already increased their wage levels so as to not significantly threaten U.S. workers and producers. Another choice would be for the United States to unilaterally provide direction and assistance in the efforts of the countries to restore their credit worthiness. An important downside to that option is that it costs about 4 times as much to go it alone. The third approach is find a way to get other countries to share the burden. That is essentially the approach represented by the IMF.

The problem is the Asian crisis has greatly depleted the lending resources available to the IMF. When the country agreements that are already in effect are fully implemented, the IMF will have only $45 billion in lending authority left. Approximately $30 billion of that amount has to be held in reserve for drawing rights by member countries, leaving only $15 billion in current usable lending authority. That is down from the $45 billion that was available less than two years ago.

The possibility that is most frightening to international economist and financial experts is that sudden instability in a single additional country could use up all available lending resources—leaving the IMF with no funds to intervene in the event of additional crises. For half a century world financial markets have counted on the IMF to serve as a safety valve in preventing total economic meltdowns. The knowledge that the IMF no longer has sufficient resources to perform that role could of its own accord precipitate a rapid withdrawal of capital from developing countries around the globe and generate currency crises identical to the ones which have occurred in Asia. That in turn could have a devastating impact on our own equity markets. As Senator Stevens told the other body last Thursday, "I saw the report that the Dow is about to hit 9000. If we do not act, as has been proposed in the IMF, the country better get ready for a slide. . ."

The funds which have been requested would be deposited by the United States in our account in the International Monetary Fund. The United States would be entitled to draw from that account, the same as a family can draw funds from its banking account. It would not actually cost the United States money and it should not result in any increase in the deficit. But it would provide the Fund with the resources to make prudent loans to countries that are willing to take the necessary steps to demonstrate credit worthiness and the capacity to repay. The replenishments contained in this bill will create $81 billion in new usable lending authority on top of the $15 billion that is now available. That should not only be enough to deal with the foreseeable needs of problem countries but also enough to assure financial markets that the IMF is capable of acting whenever and wherever it is necessary.

This should be an obvious choice for responsible legislators in either party. It was agreed to in the Senate, where the IMF measure was attached to the Emergency Disaster and Military supplemental by a vote of 84 to 16. The House should do no less in its consideration to this legislation.

PAYING OUR BACK BILLS AT THE U.N.

The bill also contains funding of $505,000,000 for United States arrearages to the United Nations. More than $500,000,000 less than the amount requested and more than $400,000,000 below the amount contained in the authorization which just passed the House. The funding in this bill is also $500,000,000 below the amount agreed to in last years bi-partisan budget agreement. The funds are provided subject to authorization, and in addition cannot be obligated until the United State's regular U.N. dues are reduced to 22% and the contribution for peacekeeping operations is cut to 25%.

The Committee rejected an amendment, which would have restored funding to the $929,000,000 level contained in the authorization.

Like the funding provided for the International Monetary Fund, the U.N. monies have been cosigned to this bill which is not slated for House Floor action before late April at the earliest. Further, the House Leadership has indicated that they will attach the controversial family planning language to that legislation.

Failure to fund the full request, delay the possible enactment of this legislation and complicate its prospects by injection of the family planning issues, is shortsighted and destructive for two basic reasons.

First, it undercuts the ability of our representatives to negotiate lower contribution levels. Had the requested contribution for the U.N. been enacted last fall, it would have provided the basis for negotiating a reduction in the U.S. share of U.N. expenses from 25% to 22%. Failure by the Congress to provide that money in a timely manner has already cost U.S. taxpayers $100,000,000. This continued quibbling by the Congress over the amounts and conditions of these funds, further undercuts the ongoing efforts of our negotiators to reduce U.S. contributions and achieve the institutional reforms sought by this committee and the Congress.

Second, the United Nations has played a pivotal role in the resolution of each of the recent crises with Saddam Hussein. Our failure to maintain our national good standing in paying the dues we owe to the U.N. complicates the work of our representatives before that organization on numerous fronts. These certainly include our capacity to build the strongest possible consensus among our allies for a tough minded policy to insure the destruction of Saddam's capacity to build chemical, biological and nuclear weapons. Building that consensus not only affects the actions of the U.N. with respect to the Gulf but also affects our ability to negotiate bilateral agreements such as base rights in the regions that impact the effectiveness of our military response and the safety of our troops in making that response. Given the significant sums we are paying to insure the effectiveness of our military actions in terms of equipment and personnel it is certainly had to explain why we would undercut our diplomatic and political efforts by failing to provide the amounts included in the president's request.

Explanation of Rollcall Votes

Two amendments to this bill were decided by rollcall votes in full committee.

Rollcall No. 1—IMF Restrictions and Conditions: The first amendment, Rollcall No. 1 offered by Mr. Obey, would have replaced language restricting US participation in the International Monetary Fund, to conform with a bi-partisan bill reported from the Committee on Banking and Financial Services (HR 3114), that has the authorizing jurisdiction over the IMF. The authorizing bill had overwhelming bipartisan support in the authorizing committee, and is supported by the Administration.

The proposed language in the Obey Amendment would have allowed the US to contribute to the General Capital Increase of the IMF while reforms were being carried out, instead of requiring certification on a number of reforms prior to releasing the funds. Language in the base committee bill is unacceptable to the Administration since it could delay the timely release of

The amendment was rejected, 25 to 29.

Rollcall No. 1—UN Dues Owed By The United States: The second amendment, Rollcall No. 2 also offered by Mr. Obey, would have raised the amount of funds appropriated for UN dues from $505 million to $719 million.

This would have allowed payment of arrears for the UN and affiliated agencies up to the level previously voted on the adopted by the House, but was still $95 million below the level requested by the President.

The amendment was defeated 25 to 30.

Votes of individual Members on these amendments are listed in this report immediately preceding this section and the summary budget table.

Dave Obey.

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