may have 5 legislative days in which to revise and extend their remarks on the bill (H.R. 4569) making appropriations for foreign operations, export financing, and related programs for the fiscal year ending September 30, 1999, and for other purposes, and that I may include tabular and extraneous material.

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

There was no objection.

FOREIGN OPERATIONS, EXPORT FINANCING, AND RELATED PROGRAMS APPROPRIATIONS ACT, 1999

The SPEAKER pro tempore. Pursuant to House Resolution 542 and rule XXIII, the Chair declares the House in the Committee of the Whole House on the State of the Union for consideration of the bill, H.R. 4569.

□ 1323

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 4569) making appropriations for foreign operations, export financing, and related programs for the fiscal year ending September 30, 1999, and for other purposes, with Mr. THORNBERRY in the chair.

The Clerk read the title of the bill.

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

Under the rule, the gentleman from Alabama (Mr. CALLAHAN) and the gentlewoman from California (Ms. PELOSI), each will control 30 minutes.

The Chair recognizes the gentleman from Alabama (Mr. CALLAHAN).

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

I am pleased to open general debate today on H.R. 4569, the fiscal year 1999 Foreign Operations, Export Financing and Related Programs appropriations bill.

This will be the last appropriation bill, Mr. Chairman, for two distinguished members of our subcommittee and the Committee on Appropriations. I am speaking of the gentleman from Illinois (Mr. YATES) and the gentleman from California (Mr. TORRES), who are leaving after this session of Congress and going on to retirement.

Mr. Chairman, I cannot help but point out that these two Members have not only served with distinction on this subcommittee, but with the entire Congress throughout their careers.

The gentleman from Illinois (Mr. YATES), for example, has been a member of this subcommittee since its inception. He was here when they debated the Marshall Plan, and he has made a tremendous contribution to this committee and to the people of the United States and, indeed, the world, with the many contributions he has made. So I am sure that my colleagues join with me in expressing our best ever to these two gentlemen who are retiring and will congratulate them for their tremendous contributions.

I want to begin, Mr. Chairman, with some basic figures. This bill is $3.5 million below the subcommittee's allocation of $12.4 billion in budget authority and within our outlay allocation. We also have brought a bill that is $315 million below last year's level and $1.1 billion below what the President has requested to run foreign operations for the fiscal year 1999.

There are some who might rightfully argue this is not a sufficient amount of money for the President, and I regret that. However, I do not determine the amount of money that will be made available. This is done by other authorities, and they have allocated a designated amount. But it is a responsible bill with the amount of monies we had to work with, and I regret that we cannot fulfill the President's request for all the monies he wants for all of the programs he wants. But the President and the executive branch of government ought to be happy that this subcommittee has not tried to tie their hands, have not dictated to them how every penny will be spent.

There is not one dime in this bill earmarked, and I think that is a compliment to the committee and to the full committee, and I think it is the right way to go in making certain we give the executive branch the constitutional authority they need by not telling them how every penny will be spent.

For the first time in history, Mr. Chairman, we are reducing aid to Israel. Many would say, why are we doing that? We are doing that because Prime Minister Netanyahu informed us here in this body that the economy of Israel is such that it is time to look at responsible fiscal policy and recognize that the United States is not in an entitlement position for Israel. The government has cooperated, the government of Israel has cooperated in this first-time ever reduction in economic support to Israel. So it does include the first reduction to Israel, and I am happy to have received the cooperation of so many people, both in the Congress and the Israeli government, in making certain that we handle foreign operations in a very fiscally responsible manner.

I might also point out, Mr. Chairman, that the appropriation is less than 1 percent of the total amount of money we will appropriate for 1999. Many people in this country think maybe we spend 20 percent of our money on foreign aid, but that is not the case. Next year it will be somewhere below 1 percent. So we are not spending a lot of money for foreign aid, but we are doing it in a very, very responsible manner.

Also Members will note that we have not included the President's request for the full $18 billion for the IMF. We have included the $3.5 billion. We have also included some reform measures that we and the Committee on Banking and Financial Services felt were necessary, a message being sent to the International Monetary Fund that business can no longer be transacted as it has been in the past.

□ 1330

And they are going to have to be more accountable. They are going to have to be more transparent. But we have denied the President's request for the additional $13.5 billion for the International Monetary Fund.

Now, I do not have to remind Members that the United States is facing a series of profound policy changes at this time. The economies of Asia and Russia are in disarray and, as we have seen in the last couple of days, the economy in South America, with Brazil and Peru and others, is beginning to have some problems. And we are going to have to be a participant in the salvation of this economy, a participant that will allow them to keep their dollar afloat and to act in a responsible manner. But without giving them indication that there have to be some changes in their fiscal policies, they are not going to have a sufficient amount of money in which to do it.

We do not dictate, as I said, to the Secretary of State what she should do. We did not tell the President exactly what he should do with every penny. We give him as much latitude as we possibly can. There are some areas we have taken extreme disagreement with. For instance, the gentleman from Louisiana (Mr. LIVINGSTON) and I are firmly convinced that we ought to move beyond the current policy of the Korean Energy Development Corporation, KEDO.

I have said from the beginning that KEDO is an irresponsible policy that we never should have entered into in the first place. But the administration chose to do it, and we have funded it for the last 4 or 5 years, but it is time to take a serious look at KEDO, especially in light of the fact they are now shooting missiles over Japan and indications are that they have missiles that very possibly could reach Alaska.

With respect to some of the problems taking place in the Caucasus, we want to help Armenia, we want to help Georgia, but we recognize there is a policy in effect, called the section 907 policy, that is causing tremendous problems to Azerbaijan and to people in America who are trying to do business in Azerbaijan. And I am happy that the chairman of our committee offered an amendment in full committee which passed with a pretty good vote which lifted the 907 restrictions.

So we have a good bill. And I know that many Members had many amendments they wanted to offer today, but I am pleased that the Committee on Rules gave us a rule which I think is fair, to pass a bill that I think is fiscally responsible.

Mr. Chairman, I submit for the RECORD documentary materials regarding this bill.

FOREIGN OPERATIONS, EXPORT FINANCING, AND RELATED PROGRAMS APPROPRIATIONS BILL, 1999 (H.R. 4569)

	FY 1998 Enacted	FY 1999 Estimate	Bill	Bill compared with Enacted	Bill compared with Estimate
TITLE I - EXPORT AND INVESTMENT ASSISTANCE					
EXPORT-IMPORT BANK OF THE UNITED STATES					
Limitation on Program Activity:					
Subsidy appropriation	683,000,000	808,000,000	745,500,000	+62,500,000	-62,500,000
(Direct loan authorization)	(1,330,000,000)	(1,325,000,000)	(1,325,000,000)	(-5,000,000)	.....
(Guaranteed loan authorization)	(11,300,000,000)	(15,401,000,000)	(15,401,000,000)	(+4,101,000,000)	.....
Administrative expenses	48,614,000	51,940,000	50,277,000	+1,663,000	-1,663,000
Negative subsidy	-51,000,000	-25,000,000	-25,000,000	+26,000,000	.....
Total, Export-Import Bank of the United States	680,614,000	834,940,000	770,777,000	+90,163,000	-64,163,000
INTERNATIONAL ASSISTANCE PROGRAMS					
OVERSEAS PRIVATE INVESTMENT CORPORATION					
Noncredit account:					
Administrative expenses	32,000,000	34,000,000	33,000,000	+1,000,000	-1,000,000
Insurance fees and other offsetting collections	-251,000,000	-260,000,000	-260,000,000	-9,000,000	.....
Direct loans:					
Loan subsidy	4,000,000	4,000,000	4,000,000	.....	.....
(Loan authorization)	(133,000,000)	(200,000,000)	(200,000,000)	(+67,000,000)	.....
Guaranteed loans:					
Loan subsidy	56,000,000	46,000,000	46,000,000	-10,000,000	.....
(Loan authorization)	(1,800,000,000)	(2,600,000,000)	(2,600,000,000)	(+800,000,000)	.....
Total, Overseas Private Investment Corporation	-159,000,000	-176,000,000	-177,000,000	-18,000,000	-1,000,000
TRADE AND DEVELOPMENT AGENCY					
Trade and development agency	41,500,000	50,000,000	41,500,000	.....	-8,500,000
Total, title I, Export and investment assistance	563,114,000	708,940,000	635,277,000	+72,163,000	-73,663,000
(Loan authorizations)	(14,563,000,000)	(19,526,000,000)	(19,526,000,000)	(+4,963,000,000)	.....
TITLE II - BILATERAL ECONOMIC ASSISTANCE					
INTERNATIONAL ASSISTANCE PROGRAMS					
Agency for International Development					
Child survival and disease programs fund	650,000,000	502,836,000	650,000,000	.....	+147,164,000
Development assistance	1,210,000,000	1,265,798,000	1,174,000,000	-36,000,000	-91,798,000
International disaster assistance	190,000,000	205,000,000	150,000,000	-40,000,000	-55,000,000
Micro and Small Enterprise Development program account:					
Subsidy appropriations	1,500,000	1,500,000	1,500,000	.....	.....
(Direct loan authorization)	(1,000,000)	(1,000,000)	(1,000,000)	.....	.....
(Guaranteed loan authorization)	(48,000,000)	(48,000,000)	(48,000,000)	.....	.....
Administrative expenses	500,000	500,000	500,000	.....	.....
Urban and environmental credit program account:					
Subsidy appropriations	3,000,000	6,000,000	.....	-3,000,000	-6,000,000
(Guaranteed loan authorization)	(46,000,000)	(68,000,000)	.....	(-46,000,000)	(-68,000,000)
Administrative expenses	6,000,000	6,053,000	5,500,000	-500,000	-553,000
Development credit authority program account (by transfer)	.....	(15,000,000)	.....	.....	(-15,000,000)
Subtotal, development assistance	2,061,000,000	1,987,687,000	1,981,500,000	-79,500,000	-6,187,000
Payment to the Foreign Service Retirement and Disability Fund	44,208,000	44,552,000	44,552,000	+344,000	.....
Operating expenses of the Agency for International Development	473,000,000	483,858,000	460,000,000	-13,000,000	-23,858,000
Operating expenses of the Agency for International Development Office of Inspector General	29,047,000	33,000,000	31,500,000	+2,453,000	-1,500,000
Total, Agency for International Development	2,607,255,000	2,549,097,000	2,517,552,000	-89,703,000	-31,545,000
Other Bilateral Economic Assistance					
Economic support fund:					
Camp David countries	2,015,000,000	2,015,000,000	1,855,000,000	-160,000,000	-160,000,000
Other	385,000,000	498,600,000	471,000,000	+86,000,000	-27,600,000
Subtotal, Economic support fund	2,400,000,000	2,513,600,000	2,326,000,000	-74,000,000	-187,600,000
International fund for Ireland	19,600,000	.....	19,600,000	.....	+19,600,000
Assistance for Eastern Europe and the Baltic States	485,000,000	464,500,000	450,000,000	-35,000,000	-14,500,000
Assistance for the New Independent States of the former Soviet Union	770,000,000	925,000,000	590,000,000	-180,000,000	-335,000,000
Total, Other Bilateral Economic Assistance	3,674,600,000	3,903,100,000	3,385,600,000	-289,000,000	-517,500,000
INDEPENDENT AGENCIES					
Inter-American Foundation					
Appropriations	.....	22,000,000	20,680,000	+20,680,000	-1,320,000
(By transfer)	(22,000,000)	.....	.....	(-22,000,000)	.....
African Development Foundation					
Appropriations	.....	14,000,000	13,160,000	+13,160,000	-840,000
(By transfer)	(14,000,000)	.....	.....	(-14,000,000)	.....
Peace Corps					
Appropriations	222,000,000	270,335,000	230,000,000	+8,000,000	-40,335,000
Department of State					
International narcotics control	215,000,000	275,000,000	275,000,000	+60,000,000	.....
Narcotics Interdiction	15,000,000	.....	.....	-15,000,000	.....
Migration and refugee assistance	650,000,000	650,000,000	640,000,000	-10,000,000	-10,000,000
Refugee resettlement assistance	5,000,000	.....	.....	-5,000,000	.....

FOREIGN OPERATIONS, EXPORT FINANCING, AND RELATED PROGRAMS APPROPRIATIONS BILL, 1999 (H.R. 4569)—Continued

	FY 1998 Enacted	FY 1999 Estimate	Bill	Bill compared with Enacted	Bill compared with Estimate
United States Emergency Refugee and Migration Assistance Fund	50,000,000	20,000,000	30,000,000	-20,000,000	+10,000,000
Nonproliferation, anti-terrorism, demining and related programs	133,000,000	215,900,000	152,000,000	+19,000,000	-63,900,000
Total, Department of State	1,068,000,000	1,160,900,000	1,097,000,000	+29,000,000	-63,900,000
Department of the Treasury					
Debt restructuring	27,000,000	72,000,000	36,000,000	+9,000,000	-36,000,000
International affairs technical assistance		5,000,000			-5,000,000
United States community adjustment and investment program		37,000,000			-37,000,000
Subtotal, Department of the Treasury	27,000,000	114,000,000	36,000,000	+9,000,000	-78,000,000
Total, title II, Bilateral economic assistance	7,598,855,000	8,033,432,000	7,299,992,000	-298,863,000	-733,440,000
(By transfer)	(36,000,000)	(15,000,000)		(-36,000,000)	(-15,000,000)
(Loan authorizations)	(95,000,000)	(117,000,000)	(49,000,000)	(-46,000,000)	(-68,000,000)
TITLE III - MILITARY ASSISTANCE					
FUNDS APPROPRIATED TO THE PRESIDENT					
International Military Education and Training	50,000,000	50,000,000	50,000,000		
Foreign Military Financing Program:					
Grants:					
Camp David countries	3,100,000,000	3,100,000,000	3,160,000,000	+60,000,000	+60,000,000
Other	196,550,000	175,910,000	175,910,000	-20,640,000	
Subtotal, grants	3,296,550,000	3,275,910,000	3,335,910,000	+39,360,000	+60,000,000
(Limitation on administrative expenses)	(23,250,000)	(29,910,000)	(29,910,000)	(+6,660,000)	
Direct concessional loans:					
Subsidy appropriation	60,000,000	20,000,000	20,000,000	-40,000,000	
(Loan authorization)	(657,000,000)	(167,000,000)	(167,000,000)	(-490,000,000)	
FMF program level	(3,953,550,000)	(3,442,910,000)	(3,502,910,000)	(-450,640,000)	(+60,000,000)
Total, Foreign military assistance	3,356,550,000	3,295,910,000	3,355,910,000	-640,000	+60,000,000
Special Defense Acquisition Fund:					
Offsetting collections	-106,000,000	-19,000,000	-19,000,000	+87,000,000	
Peacekeeping operations	77,500,000	83,000,000	62,250,000	-15,250,000	-20,750,000
Total, title III, Military assistance	3,378,050,000	3,409,910,000	3,449,160,000	+71,110,000	+39,250,000
(Limitation on administrative expenses)	(23,250,000)	(29,910,000)	(29,910,000)	(+6,660,000)	
(Loan authorization)	(657,000,000)	(167,000,000)	(167,000,000)	(-490,000,000)	
TITLE IV - MULTILATERAL ECONOMIC ASSISTANCE					
FUNDS APPROPRIATED TO THE PRESIDENT					
International Financial Institutions					
World Bank Group					
Contribution to the International Bank for Reconstruction and Development:					
Contribution to the Global Environment Facility 1/	47,500,000	300,000,000	42,500,000	-5,000,000	-257,500,000
Contribution to the International Development Association	1,034,503,100	800,000,000	800,000,000	-234,503,100	
Total, World Bank Group	1,082,003,100	1,100,000,000	842,500,000	-239,503,100	-257,500,000
Contribution to the Inter-American Development Bank:					
Paid-in capital	25,610,667	25,610,667	25,610,667		
(Limitation on callable capital subscriptions)	(1,503,718,910)	(1,503,718,910)	(1,503,718,910)		
Fund for special operations 1/	20,835,000	21,152,000	21,152,000	+317,000	
Contribution to the Enterprise for the Americas Multilateral Investment Fund 1/	30,000,000	50,000,000	50,000,000	+20,000,000	
Total, contribution to the Inter-American Development Bank	76,445,667	96,762,667	96,762,667	+20,317,000	
Contribution to the Asian Development Bank:					
Paid-in capital	13,221,596	13,221,596	13,221,596		
(Limitation on callable capital subscriptions)	(647,858,204)	(647,858,204)	(647,858,204)		
Contribution to the Asian Development fund 1/	150,000,000	250,000,000	210,000,000	+60,000,000	-40,000,000
Total, contribution to the Asian Development Bank	163,221,596	263,221,596	223,221,596	+60,000,000	-40,000,000
Contribution to the African Development Fund 1/	45,000,000	155,000,000	128,000,000	+83,000,000	-27,000,000
Contribution to the European Bank for Reconstruction and Development:					
Paid-in capital	35,778,717	35,778,717	35,778,717		
(Limitation on callable capital subscriptions)	(123,237,803)	(123,237,803)	(123,237,803)		
North American Development Bank:					
Paid-in capital	56,500,000			-56,500,000	
(Limitation on callable capital subscriptions)	(318,750,000)			(-318,750,000)	
International Monetary Fund					
Contribution to the enhanced structural adjustment facility		7,000,000			-7,000,000
Total, International Financial Institutions	1,458,949,080	1,657,762,980	1,326,262,980	-132,686,100	-331,500,000
(Limitation on callable capital subscript)	(2,593,564,917)	(2,274,814,917)	(2,274,814,917)	(-318,750,000)	

FOREIGN OPERATIONS, EXPORT FINANCING, AND RELATED PROGRAMS APPROPRIATIONS BILL, 1999 (H.R. 4569)—Continued

	FY 1998 Enacted	FY 1999 Estimate	Bill	Bill compared with Enacted	Bill compared with Estimate
International Organizations and Programs					
International organizations and programs	192,000,000	314,000,000	157,250,000	-34,750,000	-156,750,000
(By transfer)	(2,500,000)	(2,500,000)	(2,500,000)		
Total, title IV, Multilateral economic assistance	1,650,949,080	1,971,762,980	1,483,512,980	-167,436,100	-488,250,000
(By transfer)	(2,500,000)	(2,500,000)	(2,500,000)		
(Limitation on callable capital subscript)	(2,593,564,917)	(2,274,814,917)	(2,274,814,917)	(-318,750,000)	
TITLE VI					
FUNDS APPROPRIATED TO THE PRESIDENT					
International Monetary Programs					
Loans to International Monetary Fund 2/		3,361,000,000	3,361,000,000	+3,361,000,000	
United States Quota, International Monetary Fund 2/		14,500,000,000			-14,500,000,000
Total, International Monetary Programs		17,861,000,000	3,361,000,000	+3,361,000,000	-14,500,000,000
Grand total	13,190,968,080	31,985,044,980	16,228,941,980	+3,037,973,900	-15,756,103,000
(By transfer)	(38,500,000)	(17,500,000)	(2,500,000)	(-36,000,000)	(-15,000,000)
(Limitation on administrative expenses)	(23,250,000)	(29,910,000)	(29,910,000)	(+6,660,000)	
(Limitation on callable capital subscript)	(2,593,564,917)	(2,274,814,917)	(2,274,814,917)	(-318,750,000)	
(Loan authorizations)	(15,315,000,000)	(19,810,000,000)	(19,742,000,000)	(+4,427,000,000)	(-68,000,000)
CONGRESSIONAL BUDGET RECAP					
Total mandatory and discretionary	13,190,968,080	31,985,044,980	16,228,941,980	+3,037,973,900	-15,756,103,000
Mandatory	44,208,000	44,552,000	44,552,000	+344,000	
Discretionary including arrearages and IMF	13,146,760,080	31,940,492,980	16,184,389,980	+3,037,629,900	-15,756,103,000
Arrearages	-359,753,100	-502,485,334	-351,952,000	+7,801,100	+150,533,334
IMF		-17,861,000,000	-3,361,000,000	-3,361,000,000	+14,500,000,000
Discretionary excluding arrearages and IMF	12,787,006,980	13,577,007,646	12,471,437,980	-315,569,000	-1,105,569,666

1/ The amounts shown for the Senate are provided as an FY 1998 supplemental.

2/ The amounts shown for the President's request were requested as an FY 1998 supplemental; the amounts shown for the Senate are provided as an FY 1998 supplemental.

Tables printed on page 98 of House Report 105–719, the report to accompany the FY 1999 Foreign Operations, Export Financing, and Related Program Appropriations Bill, were printed with errors. The following are corrections to those sections of the report:

COMPARISON WITH BUDGET RESOLUTION

Section 308(a)(1)(A) of the Congressional Budget and Impoundment Control Act of 1974 (Public Law 93–344), requires that the report accompanying a bill providing new budget authority contain a statement detailing how the authority compares with the reports submitted under section 302(b) of the Act for the most recently agreed to concurrent resolution on the budget for the fiscal year. This information follows:

FISCAL YEAR 1999 APPROPRIATIONS

[Dollars in millions]

	Budget authority	Outlays
Sec. 302(b):		
Discretionary	12,475	12,525
Mandatory	45	45
Total	12,520	12,570
This bill:		
Discretionary	16,184	12,546
Mandatory	45	45
Total	16,229	12,591

FIVE-YEAR PROJECTION OF OUTLAYS

In compliance with section 302(a)(1)(B) of the Congressional Budget 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.

Fiscal year 1999 appropriations

	Millions
Budget authority	16,229
Outlays	12,591
Fiscal Year:	
1999	4,896
2000	3,065
2001	2,319
2002	914
2003 and future years	1,562

Since the submission of House Report 105–719, the Chairman of the Committee on the Budget has provided an increased section 302(a) allocation consistent with funding provided in H.R. 4569 for New Arrangements to Borrow and arrearages for multilateral development banks. House Report 105–722, submitted by the Chairman of the Committee on Appropriations, subsequently increased the section 302(b) allocation for the Foreign Operations Subcommittee. The following table shows that the bill is within the revised allocation:

FISCAL YEAR 1999 APPROPRIATIONS

[Dollars in millions]

	Budget authority	Outlays
Sec. 302(b) (Revised):		
Discretionary	16,188	12,546
Mandatory	45	45
Total	16,233	12,591
This bill:		
Discretionary	16,184	12,546
Mandatory	45	45
Total	16,229	12,591

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

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

Mr. Chairman, I rise in opposition to the bill, and with the greatest respect for my chairman, the gentleman from Alabama (Mr. CALLAHAN). At the start, I want to commend him for the manner in which he put the bill together. Although we disagree on some of the provisions in the bill, he was very open and accommodating whenever it was possible for him to be on some of the initiatives from our side of the aisle.

I also want to commend our chairman of the full committee, the gentleman from Louisiana (Mr. LIVINGSTON), for the manner in which he conducted the full committee on this legislation and his openness. But we have some very serious policy disagreements that I will discuss in a moment.

First, in addition to praising my distinguished colleagues on the other side of the aisle, I want to join the gentleman from Alabama in commending our two Members who have served so well and who will be leaving the Congress this year. This will be their last foreign ops bill.

First of all, the gentleman from Illinois (Mr. YATES); Chairman YATES, Ranking Member YATES. In the full committee I mentioned that he has been hailed as a great mentor, legislator, leader, thinker, intellect. But I wanted to commend him as a great patriot because of his work as chair of the Interior Committee and then as ranking member on the subcommittee. He was a great patriot in protecting the natural resources of our great country, the cultural heritage of our country, and the freedom of expression of our constitution. For all of that, we are most grateful to him.

And the gentleman from California (Mr. TORRES) had a resume before he came to Congress that served him well here, and indeed served our entire country as a diplomat; an ambassador. He also brought the fighting spirit of the labor movement and the commitment of a strong Democrat. His diplomatic skills as an ambassador and as part of our delegation will be missed greatly. This Congress will miss his expertise in many areas, including his knowledge of this hemisphere and his leadership on issues of concern to our country.

Mr. Chairman, the service of both of these gentlemen will be missed and I will certainly miss their votes on our committee.

This bill, I think, should be what it has been in the past, an area where we come together in a bipartisan spirit to promote democratic values, to give expression to the compassion of the American people, and to make very hard-nosed decisions about what is in our national interest. I do not think that many of these issues are partisan issues. Indeed, the luxury of our committee is that very often we are the kaleidoscope. We are in different designs on different issues.

Many of us for example on both sides of the aisle support 907 and many on both sides of the aisle oppose 907. I join with my Republican colleagues in opposing the initiative of the gentleman from Louisiana (Mr. LIVINGSTON).

We also have strong human rights' advocates on the committee from both sides of the aisle.

We have issues like IMF, where there are Democrats and Republicans on one side of the issue and on the other side of the issue as well. So we are used to working cooperatively in a bipartisan manner.

Our chairman traditionally likes to give to the executive branch, to the President, the prerogative to have as much flexibility as possible. At least that is normally what the practice has been. Not so in this bill.

First and foremost, I oppose the legislation because I do not think it rises, in terms of its vision and its resources, to the challenge that our country faces as the sole global leader of the world. I also think those resources which are, as the chairman mentioned, $315 million below fiscal year 1998 and a full $1.1 billion below the President's request, greatly reduces the President's flexibility with the narrowing of those resources.

I am concerned that just $3.5 billion instead of the full $18 billion for the IMF has been included in this legislation. And as I mentioned during the debate on the rule, I am very concerned about the lack of opportunity for us to debate the IMF. There were 12 amendments coming from both sides of the aisle on the IMF, and the Committee on Rules rejected every one of them.

The whole world is wondering how we are going to deal with the economic crisis in Asia. Is the IMF the appropriate way to go? Regardless of what side we are on on that issue, this House should be debating that issue. And the idea we can put $14.5 billion into the bill in conference, I think is really unfair to the Members. And, really, it is an insult to the intelligence of the American people that this body cannot have a debate on a subject of grave concern, that is the economic stability of the world.

As far as the allocation of funds, my concern about the number, the $315 million below last year's request, springs from some of the unrest that is out there in our fragile new democracies. As we all know, the economy of Russia is in a very depressed state. Russia happens to be the leading market for exports from some of the new independent states; for example, Georgia.

The country of Georgia, with President Shevardnadze who is a leader in that region as well as the President of his own country, has worked hard to democratize Georgia, to implement the market reforms, to reform the economy, and he is losing his export market—Russia. Georgia is being flooded by cheap products from Russia now, undermining its economy. And we further exacerbate the situation by reducing the aid that we give to Georgia, giving a real lever to his opponents there who are not the democrats of Georgia, thereby undermining his leadership. He did what we asked him to do

and we lowered the assistance we are giving him. And that is just one example.

I am also concerned, and I have an area of disagreement with some of my Republican colleagues, that the bill denies all funding for the Korean Peninsula Energy Development Organization. The agreement between the U.S. and North Korea provides the only basis for U.S. access to troublesome sites in Korea. Ending the program eliminates any possibility of ending North Korea's nuclear ballistic missile programs and may, in fact, jeopardize the security of U.S. troops in the region.

My request to at least debate the issue was denied by the Committee on Rules. And further into the debate today, I will suggest what my amendment would have been.

We have discussed the fact that the bill has language restricting international family planning organizations from using their own funds for purposes that they deem worthy of their mission. And the bill shortchanges the global environmental facility of the World Bank to the point where it will literally run out of funds this year.

I am disappointed that we could not get greater funding for the Peace Corps, but I salute the chairman for the figure he did put in, and his willingness, if we have any more money at the end of the day, to put more funds in for the Peace Corps.

And I salute Chairman CALLAHAN for his leadership on the child survival and disease account. He is truly a champion in the world. And his initiatives were met with some resistance along the way, so I commend him for his vision and for his perseverance and for his success on behalf of the children worldwide. I just wish the bill had a bigger allocation so child survival could be funded higher.

And, again, I personally thank him for the HIV/AIDS prevention control money and the UNICEF funds.

The funds for the Middle East have been reduced, largely under the leadership of the gentleman from Alabama (Mr. CALLAHAN). And as we all know, the Middle East, regardless of the fate of this bill today, the Middle East funds will be there. They are the safest appropriation allocation in this bill.

So I again thank the chairman for some of the initiatives that are there and for his leadership, but I regretfully must oppose the bill because it is inadequate to the task.

Everyone in America is familiar with President Kennedy's statement in his inaugural address, ''My fellow Americans, Ask not what your country can do for you, but what you can do for your country.'' But the very next line of that great speech is, ''And to the citizens of the world, ask not what America can do for you, but what we can do, working together, for the freedom of man.'' I do not think that the allocation for this bill and the priorities and the opportunities that are missed in this bill are a match for those great words.

I hope, at the end of the process, that they will be, and that we can all join in supporting this bill, making it the bipartisan package that it traditionally has been and hopefully will be.

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

Mr. CALLAHAN. Mr. Chairman, I yield myself such time as I may consume to thank the gentlewoman from California for her kind words and for mentioning the child survival account.

I am very proud of the child survival account. And, yes, we did have a rocky road in the beginning, but I am pleased to say that the administration has seen the light of day and included this in their budget request for the first time this year, and we are happy to grant the administration's request in this regard.

Mr. Chairman, I yield 5 minutes to the gentleman from Illinois (Mr. PORTER), one of the most distinguished members of our subcommittee.

Mr. PORTER. Mr. Chairman, I want to thank the gentleman from Alabama for his tireless work in developing this bill. He and his outstanding staff have dedicated many hours to stretching our limited foreign aid dollars and to trying to accommodate and reflect the concerns of many Members, including this Member.

As we review the events of the past fiscal year, the importance of our foreign assistance has never been clearer. We are living in a global community. Our economy, our health, our environment, are all interconnected with those of our immediate neighbors and with those half a world away.

The United States' international activities at both the bilateral and multilateral level have an impact on every American citizen and every person in the world.

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Because of the importance of our role in the world, I wish that our allocation could have been greater. However, recognizing the need for fiscal austerity to maintain a balanced budget, I support this legislation as it was reported by our subcommittee, with the exception of funding for arrearage payments to multilateral financial institutions. However, my support for the bill is tested by some changes made by the full committee.

I supported the gentleman from Alabama's decision not to include any legislative language which would condition funding for international family planning. Authorizing language has already been included in the State Department reform bill that is awaiting the President's consideration. An authorizing bill is the proper vehicle for this language, and I am strongly against this addition which for the fourth year in a row will jeopardize the enactment of this bill into law.

In addition, I supported the gentleman from Alabama's decision to maintain current law with regard to assistance to Azerbaijan in the subcommittee bill. Although there were some elements of the package that the subcommittee agreed to on the Caucasus that I did not necessarily agree with, the overall package for assistance to the Caucasus was a balanced approach that provided positive incentives to the parties in the region to resolve their disputes and begin working together. The action of the committee in repealing section 907 in my judgment destroyed that balance and serves to undermine the careful efforts of the subcommittee to encourage solutions to problems in the area. I will support the efforts of the gentleman from California (Mr. RADANOVICH) in attempting to repeal this misguided and improper authorizing provision.

Again, on the whole, I want to support this bill and the excellent work of my colleague from Alabama. I hope that we can resolve these issues favorably and then work with the Senate to provide the highest possible funding level in the bill within necessary overall fiscal constraints.

Let me close, Mr. Chairman, by paying tribute to two of our colleagues who will be leaving the subcommittee, retiring. One, of course, is my neighbor and friend the gentleman from Illinois (Mr. YATES). His district and mine abut. Today he actually represents the town in which I was born and grew up. We do not always by any means see things eye to eye on policy but I think you will never find a harder worker, someone who has been on top of the issues for 50 years of service to this Congress and to his country, questioning, raising issues, fighting for the things that he believes in. The gentleman from Illinois has provided a tremendous example of someone who is committed and serving in a way that does great credit to the United States Congress. We are also going to miss our colleague and friend the gentleman from California (Mr. TORRES). We have worked together on many issues. I have a tremendous respect for his resolve in standing for the things that he believes in, and he has always been there serving in a way that has brought credit to himself, to his State and to our country, and I am very proud that I have had the opportunity to serve in Congress with the gentleman from California as well.

I commend this bill to the Members. I would like to make some changes in it. I am hoping we can see those changes made. But overall it does the kind of work that we expect of our committee and I commend our chairman for his fine effort.

Ms. PELOSI. Mr. Chairman, I yield 3 minutes to the gentleman from Michigan (Mr. BONIOR), the distinguished Democratic whip of the House and a champion on international issues relating to the American worker.

Mr. BONIOR. Mr. Chairman, I thank my colleague for her kind remarks and for the job that she and the gentleman

from Alabama (Mr. CALLAHAN) and others have done on this bill.

Mr. Chairman, I want to urge my colleagues to support an amendment later today that would restore section 907 prohibiting aid to the authoritarian regime of Azerbaijan. For nearly a decade, Azerbaijan has used tanks and soldiers to blockade its democratic neighbors, the Republic of Armenia. This illegal blockade has cut off the transport of fuel, of food and of medicine. This blockade is a roadblock to regional peace and it is a chokehold on democracy. That is why the United States has refused to spend our tax dollars to prop up the Azerbaijani government. It has always been our stated policy to reward those who work for peace and democracy and punish those who do not, until now. This bill undermines our commitment to democracy. It abandons support for the people of Nagorno-Karabagh who are struggling for self-determination. And it completely undercuts regional peace talks that have just this week shown some promising signs and hints of progress.

Why would we do this? Why are Members of this House being asked to overturn an effective, long-term commitment to peace and democracy? Why would we hand out a big sack of carrots to an anti-democratic regime? Sadly, the answer can be summed up in one word. Oil. Put crudely, the oil lobby has dollar signs in its eyes. The big corporations cannot wait to start pumping oil from beneath the Caspian Sea, even if that means selling out a democratic country, even if that means abandoning a landlocked Nation whose freedom depends upon open borders, and even if that means sacrificing our own principles of justice.

America's interests in the Caucasus lie with the development of democracy and human rights, not just the development of oil fields. This bill guts our long-standing policy and it mocks our deepest values.

I urge my colleagues to support democracy and to support the amendment that is going to be offered by the gentleman from California (Mr. RADANOVICH) and supported by the gentleman from Illinois (Mr. PORTER) on this side of the aisle and the gentleman from New Jersey (Mr. PALLONE) and others on our side of the aisle.

Support the amendment to restore section 907.

Mr. CALLAHAN. Mr. Chairman, I yield such time as he may consume to the gentleman from Louisiana (Mr. LIVINGSTON) the chairman of the full committee.

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

Mr. LIVINGSTON. Mr. Chairman, I am interested in some of the comments that have just transpired about this ominous lifting of section 907. It applied sanctions against one of what were two warring parties only a few short years ago, Azerbaijan versus Armenia.

The fact of the matter is that these are both countries emerging from what was the Soviet Union, clearly they were at war with one another, and clearly in 1992 we levied sanctions on Azerbaijan, a Moslem country, while attempting to assist Armenia, an orthodox country, for legitimate reasons. Azerbaijan, by some reports, started the war, and there was a conflict that spread over a long period of time. People on both sides were killed; there was incredible devastation and misery reaped from that conflict, but Armenia won. Armenia moved over to help and Armenians took over Nagorno-Karabagh, expelling all of the Azeris. There are no Azeris in Nagorno-Karabagh. There are some 700,000 Azeri refugees in their own country, in Azerbaijan. Yet we still have the sanction imposed upon Azerbaijan by the United States which is supposed to be a neutral party.

My friend who just preceded me said it is to help the oil companies. Is it to help the oil companies that we attempt to repeal section 907 which is a strenuous sanction on one of the parties but not the other? No. It is so that the United States can simply take a balanced view towards a very important strategic part of the world. Kazakhstan has tremendous oil supplies. Turkmenistan has tremendous natural gas supplies. They are across the Caspian. If those supplies go west through Azerbaijan, possibly through Armenia, possibly through Georgia, into Turkey, then the fact is that the United States may benefit, but certainly the western industrialized world could benefit. If the oil supplies only go north to Russia, if the oil supplies only go east to China or south to Iran, the industrialized world does not benefit, and perhaps others who do not share the civilized goals that we in the United States espouse will benefit.

The fact is that this is a conflict that must come to an end and it has not. Recently a proponent of maintaining section 907 said that we have not succeeded at all in bringing peace to this region, and, therefore, that is a reason to maintain section 907. He said it is a failed policy and since it has continued to fail, we should not lift 907. I say exactly the opposite is true, and it is borne out by an article in the New York Times dated September 14, 1998 in which the lead says, ''Ethnic Conflict in Caucasus Shows Its First Glimmer of Hope.'' That is a few days after our full committee met and we lifted section 907 out of this bill. The first glimmer of hope evolved after we took the section out.

We have been in the position of sanctioning one party to a conflict, continuing to beat them over the head, and then saying, ''By the way, we want your friendship to bring this oil west, why don't you help us?'' And they have not been entirely cooperative until we finally lifted this sanction. The time has come to lift it.

Do not let the people tell you about the blockade. Azerbaijan represents 20 percent of the border with Armenia. Eighty percent is with other countries like Iran and Georgia. The fact is this blockade is a false issue. Most of the other issues referred to by the gentleman who preceded me are false issues.

We should not side with the Armenians. We should not side with the Azeris. We should side with a balanced approach to two prospective friends. That means whether you are Armenian-American or whether you are Azeri-American, you should be in favor of the American point of view which is a balanced view and the lifting of 907. Let us get rid of this outrage which is totally slanted against one party.

[From the New York Times, Sept. 14, 1998]

ETHNIC CONFLICT IN CAUCASUS SHOWS ITS FIRST GLIMMER OF HOPE

(By Stephen Kinzer)

YEREVAN, ARMENIA, Sept. 11—In a week that saw the first high-level contact in years between Armenia and Azerbaijan, leaders of both countries said they were eager to resolve an ethnic conflict that threatens to ignite the Caucasus.

The conflict is over the disputed enclave of Nagorno-Karabakh, which the world recognizes as part of Azerbaijan but which has been held by its ethnic Armenian majority since 1994. Fighting that ended that year took more than 35,000 lives and forced hundreds of thousands from their homes.

A resumption of fighting could be disastrous, because the Caucasus today is delicately balanced between prosperity and chaos. Huge amounts of oil have been discovered under and around the Caspian Sea, but ethnic conflicts in places like Nagorno-Karabakh could abort the expected boom and plunge the region back into the anarchy of the early 1990's.

There has been no substantial movement toward a settlement of the conflict, and the sides remain so far apart that some fear another war. But last Monday, the Prime Minister of Armenia, Armen Darbinyan, flew to Azerbaijan to attend a regional trade conference.

Before meeting privately with his guest, President Heydar Aliyev of Azerbaijan told reporters that he looked forward to ''the restoration of friendship between Azerbaijan and Armenia in the context of a peaceful resolution in Nagorno-Karabakh.'' It was the first time in memory he had made such a statement.

A team of diplomats from Russia, France and the United States has been searching for a solution to the Nagorno-Karabakh dispute. They want the mountainous enclave returned to Azerbaijan but given ''maximum possible autonomy.'' Armenia has rejected that framework, vowing never to allow Azerbaijan to rule there again.

In an interview here after Mr. Aliyev's remarks, President Robert Kocharian of Armenia said ''nonstandard approaches'' could produce a ''unique solution'' in the enclave.

He mentioned several possible models: Northern Ireland, which has broad powers to run its affairs but remains under British sovereignty; Bosnia and Herzegovina, where a joint presidency represents the three principal ethnic groups; New Caledonia, a self-governing ''overseas territory'' of France, and Andorra, a principality that holds a seat in the United Nations but whose nominal rulers are the President of France and the bishop of Seo de Urgel, Spain.

Mr. Kocharian said he could accept a token role for Azerbaijan in the enclave to allow it

a measure of ''face saving.'' But Azerbaijan, which is posted to earn billions of dollars from oil exports, is seeking to save much more than face. It wants Nagorno-Karabakh back, and could use its coming wealth to build an army capable of retaking it.

Mr. Kocharian said he is not worried about such a counterattack.

''Are you sure the rich man fights better?'' he asked. ''In 10 years, who will be ready to fight and die, and for what? In 10 years, any attack on Nagorno-Karabakh would be viewed by its residents as an aggression against their country. For the Azerbaijani Army, Karabakh will be just a memory. Who will be more willing to give their lives?''

Mr. Kocharian rose to power on the Nagorno-Karabakh issue. He is a former leader of the enclave, and was elected Armenia's President in March after the army forced his precedessor, Levon Ter-Petrosian, to resign. Military chiefs suspected that Mr. Ter-Petrosian was preparing a compromise with Azerbaijan.

''We cannot accept anything less than Karabakh being de facto Armenian,'' said Armen Aivazian, a historian and foreign policy expert. ''It should be under unchallenged, permanent Armenian military control. After that, Andorra could be negotiated. All kinds of solutions are possible.''

Mr. Aivazian acknowledged, however, that there seemed little prospect of Azerbaijan's accepting such a formula.

''I personally don't see any solution in the time ahead,'' he said. ''If the situation continues as it is, the chance of war is not 100 percent, but certainly more than 50 or 60 percent.''

Any peace accord would have to be accepted by leaders of the Nagorno-Karabakh Armenians, and because Mr. Kocharian is considered one of the enclave's heroes, he would presumably be able to influence them.

''He has a lot of sway over Karabakh opinion,'' said a European diplomat in Yerevan. ''He is an astute politician and an astute string-puller, and as time goes on, he may have a chance to be a statesman.''

Ms. PELOSI. Mr. Chairman, I yield 1½ minutes to the gentleman from California (Mr. TORRES) who was praised by many of the previous speakers.

Mr. TORRES. Mr. Chairman, I thank the gentlewoman for yielding time. I believe that this policy of lifting section 907 is simply a question of rewarding Azerbaijan. Azerbaijan does not deserve to be rewarded. Their government has blockaded Armenia and Nagorno-Karabagh for 9 years. The blockade has cut off the supply of food, of fuel, of medicine and other vital goods and commodities. Azerbaijan's blockade has precipitated a humanitarian crisis requiring the U.S. to send emergency life-saving assistance to Armenia. Azerbaijan has blocked U.N. humanitarian aid to Nagorno-Karabagh. It has refused to allow the U.N. to operate in Nagorno-Karabagh and has even blocked the U.N. from conducting a humanitarian needs assessment.

Mr. Chairman, at a time when Armenia is introducing market reforms and integrating its economy with the West, at a time when Armenia is in dire need, the blockade has virtually isolated Armenia from the rest of the world. Armenia is landlocked, and 85 percent of all Soviet-era goods destined to Armenia went through Azerbaijan.

Mr. Chairman, this blockade has strengthened another nation, Turkey, in imposing its five-year blockade of Armenia on assistance from the West. We must resuscitate, we must put back into legislation section 907 as will be proposed by the gentleman from California (Mr. RADANOVICH).

Mr. CALLAHAN. Mr. Chairman, I yield 5 minutes to the gentleman from Michigan (Mr. KNOLLENBERG) who certainly is a member who is so interested in this committee and so knowledgeable on many of the areas of the world that are so important to the contents of our bill.

Mr. KNOLLENBERG. Mr. Chairman, I rise in strong support of the bill, H.R. 4569, and I wanted to obviously thank the gentleman from Alabama (Mr. CALLAHAN) for yielding me this time. He has been, I think, an outstanding individual in terms of shepherding this particular appropriations bill through the process. That is not an easy task. He has done it with diligence, impartiality and I believe with absolute fairness. I commend the gentleman from Alabama. I want to thank the gentlewoman from California (Ms. PELOSI) for her work in coming together on a host of important issues, and the staff for all the work they have done to create this bill. Each member of this subcommittee has worked in a bipartisan fashion to craft a foreign aid bill that reflects our Nation's international priorities while maintaining a goal of fiscal responsibility and a balanced budget. The chairman spoke to that.

This bill holds the line on foreign aid spending while maintaining funding for our most important foreign aid priorities. By supporting continued funding for Microenterprise and other development assistance programs, Congress reaffirms our country's crucial role as a leader in strengthening the ever-growing community of prosperous, democratic nations.

The bill also maintains the U.S. commitment to the Middle East process and our long-standing ally Israel. It provides $70 million for the resettlement of former Soviet, East European and other refugees in Israel. And while U.S. support for peace in the Middle East is reaffirmed, the bill takes an historic first step toward eliminating the region's long-standing reliance on U.S. economic aid.

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Furthermore, the committee has ensured that whenever necessary, U.S. funds are focused on reinforcing our vital national security needs.

First, the bill contains our strong commitment to the democratization of Russia that addresses my concerns about Russian exports of nuclear and ballistic missile technology. This grave situation is addressed by stipulating that aid to Russia is contingent upon stopping the development of any nuclear program or ballistic missile capability. We are sending a powerful signal to Russia that its interaction with dangerous rogue states like Iran is unacceptable.

The bill also highlights congressional concern about the recent activities of another dangerous rogue state, North Korea. Given the very frightening revelations in recent weeks regarding North Korea's offensive capabilities, we must take action. The U.S. must send a signal of its strong disapproval by suspending aid to North Korea until we have real proof that it has ended its dangerous ballistic missile and nuclear weapons program.

And finally I would like to add concerns with respect to one particular issue. The bill does contain language repealing Section 907, a provision of law passed by this body, signed into law by President Bush in 1992. Section 907 prohibits direct economic and military aid to the government of Azerbaijan while it continues to blockade its neighbors and has been the centerpiece of U.S. Policy toward the Caucasus for the last 6 years. I am concerned that its repeal may compromise the U.S. role as an unbiased mediator in negotiations to settle the Nagorno-Karabagh conflict. This issue will undoubtedly surface again during the bill's consideration. I look forward to a spirited debate, and I hope we will be able to convince some of my colleagues that this may be an inappropriate move at this time. Only through balanced support from the U.S. will we finally see this region free of bloodshed and conflict and rich with prosperity and opportunity.

Mr. Chairman, the subject of foreign aid often sparks heated debate on this floor. While we all have strong opinions about a number of programs, I ask my colleagues to not let heated discussions about details keep us from the business at hand. We need to unite behind this fair bill to maintain U.S. leadership and strengthen our influence across the globe.

Mr. Chairman, I ask for Members to support this bill, and I thank the gentleman again for yielding me time.

Ms. PELOSI. Mr. Chairman, I yield 2 minutes to the also reknowned gentleman from Illinois (Mr. YATES) in this, the line up of champions. We heard from the gentleman from California (Mr. TORRES) who was much acclaimed on the floor earlier, and now the much acclaimed gentleman from Illinois, Mr. YATES.

Mr. YATES. Mr. Chairman, may I express my very profound thank you to my good friend the gentleman from Alabama (Mr. CALLAHAN) the chairman of the Committee, to the gentlewoman from California (Ms. PELOSI) and to the gentleman from Illinois (Mr. PORTER) for many nice things they said about me. I think perhaps my absence from the floor at that time may have helped. However I am grateful. They were very generous in their statements, but I want them to know that I am very thankful for the many nice things they said about me.

Mr. Chairman, November 2, 1948, I was elected for the first time to the

Congress of the United States. I was away from my representation in this House for 2 years when I ran for the Senate unsuccessfully. I came back the next term. And in all that time I have been a member of the Committee on Appropriations, luckily I believe, because I think it is one of the great committees of the House, and in all that time I have been a member of the Foreign Aid Subcommittee. First, it was called the Marshall Plan Subcommittee, and gradually, as the years went on, it was called the Foreign Aid Subcommittee. The opportunities were presented many times to get off that subcommittee and move to another one, but I considered the foreign aid program so important that I never seriously attempted to leave that subcommittee. I believe it is extremely important that adequate funding be given to the Foreign Aid Subcommittee in order to carry out our purposes throughout the world.

Mr. Chairman, in all that time I doubt that I voted against more than 1 or 2 of the bills, and I hate to say it this time because I hold Chairman Sonny Montgomery in such high regard. I have been associated with many chairmen during that period; none was better than the gentleman from Alabama (Mr. CALLAHAN), I think he was the best of all of them. And of course it has been a honor and a privilege to serve with the gentlewoman from California (Ms. PELOSI) and my good friend and neighbor to the north, the gentleman from Illinois (Mr. PORTER).

I find this bill, however, lacking in so many instances that I think I will have difficulty in supporting it. In fact, I think I probably will vote against it unless it is corrected in the course of the debate and in amendment.

Mr. Chairman, during the almost 50 years that I have served on this subcommittee, foreign aid has seen a major transition in both the political situation in the world and how foreign assistance and export programs can best address these changes.

Foreign aid, like defense spending, helps preserve our national security. But, unlike defense spending, where we continue to allocate one out of every five dollars of our Federal budget, foreign aid, which is currently less than one percent of the overall Federal budget, has continued to decrease.

The ironic truth about foreign aid is, that it is much cheaper than most Americans think and it does things that most Americans may not realize. Yet, this bill continues to cut the most cost effective portion of our national security budget, foreign aid.

The total amount in the bill is slightly below the amount provided last year. It is well below the request by the administration. More significantly it is below our committee's 302(b) allocation.

As former Secretary of Defense, William Perry and the Chairman of the Joint Chiefs of Staff, General John Shalikashvili, said in their May 23, 1995, article in USA Today: ''This is no time to be penny-wise and pound-foolish. Our foreign assistance program helps finance the building blocks of a new international structure that is more peaceful and more stable than the one we left behind.''

In my tenure in this House, I have seen firsthand the effect foreign aid can have on bringing economic restoration to a war-torn or undeveloped country. I guess it is safe to say that I am a strong supporter of foreign aid. In fact, in all my years in the House, I do not think I have ever voted against a foreign aid appropriations bill, but there is always a first time.

Mr. Chairman, if asked, I would not be able to characterize this as a good bill. I feel that in its present condition the President would be forced to veto the bill. I hope my friends on the other side of the aisle will agree that we do not want to see this bill and this Congress again caught up in a continuing resolution.

There are many funding level and policy issues which still need to be addressed before this bill would be worthy of my support. I hope my colleagues will accept amendments in order to find tune this bill before we go to conference with the other body.

I still believe we can get a good bill, one with wide bipartisan support and one the President will be happy to sign.

The first area I feel we need to address is the development assistance account. Bilateral and multilateral development assistance accounts have been cut much more deeply than any other area of the foreign operations budget over the last four years—cut on average by more than 30 percent out of overall cuts of about 11 percent, these cuts have harmed a wide range of programs including family planning, micro enterprise, IDA, and UNDP, to name just a few.

The foreign policy challenges and opportunities facing the United States on the eve of the twenty-first century require greater attention to and investment in developing countries than ever before.

It is in developing countries where issues such as rapid population growth, environmental degradation, food insecurity, ethnic conflict and widespread poverty must be addressed if we are to realize the goal of peace, democracy, prosperity and new export markets.

I ask my colleagues, wouldn't logic tell you that if you increase development assistance and thereby provide a better standard of living, such a commitment would address the root causes that plague developing communities. Yet, this bill continues to ignore and dismiss the role development assistance can play in accomplishing our foreign policy aims and achieving our overall national security objectives.

Another major concern is that this House is not addressing the shortfall in the International Monetary Fund [IMF] and insisting on relying on the conference committee and convoluted procedures to achieve complete funding before we adjourn for the year.

In the almost 50 years since I became a Member of this House I have never been a part of a Congress that ignored a world financial crisis, and I am deeply disappointed that in the last year of my last Congress this is just what we are doing. If this funding is not addressed before we adjourn, American suppliers, business and finally the American people will suffer from the short sightedness and convoluted restrictions of the leadership in this House.

We are the leaders of the world, and that should include being the leader in foreign assistance. Foreign aid is critically important to our position in the world community and the United States cannot continue to lead without the institutions funded by this bill.

The business community in the United States—who rely heavily on such foreign aid institutions to create an environment favorably to business—request we increase our foreign aid to approximately $18 billion.

They see first hand how adversely affected the economy is by the diminished role the United States plays in the developing world, and, you can be sure, their foreign competitors, armed with the support of their government's, are ready and waiting to step right in.

If we do not increase our level of foreign aid, the long-term economic impact will be unfavorable to American business, the American people and our national security interests.

Mr. Chairman, Let's work together to take this bad bill and craft a great bill.

Mr. CALLAHAN. Mr. Chairman I yield 4 minutes to the gentleman from New Jersey (Mr. FRELINGHUYSEN) who is also a member of our subcommittee whom we have to lean upon from time to time for expertise primarily in the area of the finance of this world, the World Bank and the International Monetary Fund. He is a true expert and a value member of our subcommittee.

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

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

Mr. YATES. Mr. Chairman, I understand that in the course of my meandering discourse I referred to the gentleman from Alabama (Mr. CALLAHAN) as Sonny Montgomery. I made a mistake. I want to correct that immediately.

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

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

Mr. CALLAHAN. Mr. Chairman, I take no offense. Former Congressman Montgomery might.

Mr. YATES. He was a good friend; I doubt that. I think he would consider it a compliment.

Mr. FRELINGHUYSEN. Mr. Chairman, reclaiming my time, it is a pleasure to have yielded to the gentleman from Illinois (Mr. YATES). I was two years-old when he became a Member of Congress, and it is a pleasure to be in the Chamber with him.

Mr. YATES. Mr. Chairman, if the gentleman would continue to yield, it was a pleasure to serve with the gentleman's father, may I say, of course when he was a Member, as well as with his son.

Mr. FRELINGHUYSEN. Mr. Chairman, I thank the gentleman from Illinois, and, reclaiming my time, I rise in support of the foreign operations bill, and personally I would like to thank the gentleman from Alabama (Mr. CALLAHAN) for his leadership as well as the gentlewoman from California (Ms. PELOSI) and our very excellent staff for all the good work they do.

The challenges we face, Mr. Chairman, around the globe are increasingly complex: the struggle to find peace in the middle east and in the Balkans, the

challenge of supporting emerging democracies in Eastern Europe, in central Asia, increased threats of nuclear proliferation and terrorism around the world and economic deterioration in Asia and elsewhere; that has a big impact on American jobs and prosperity. With this bill we provide some of the essential tools to promote and protect America's leadership and interests, and we do so within the confines of our balanced budget agreement.

Particular items worthy of note in this bill include the fact that with the full cooperation of Israel and Egypt this bill marks the beginning of a multiyear plan to reduce the level of assistance to Camp David countries, and, as our report reflects, our committee encourages other traditional aid recipients to follow the bold path undertaken by Israel.

Under the chairman's leadership we have also restored critical funding for child survival programs and disease prevention and eradication. I am particularly appreciative of the chairman's supportive efforts to combat tuberculosis and other infectious diseases that have emerged as major threats around the world.

We also continue America's longstanding support of development assistance for the poorest of the poor including international family planning programs. We also placed increased emphasis on important priorities in our own hemisphere, especially addressing the scourge of illegal narcotics traffic. Further, we maintain our efforts to protect export-related American jobs for providing resources through the Export-Import Bank, OPEC, TDA to help American companies enter and succeed in international markets, and when our American companies invest in developing economies, particularly in countries that receive U.S. taxpayer assistance in this bill, we make it clear that we expect these countries will provide no less than full legal protection for these investments.

Finally, our subcommittee has spent a great deal of time and deliberation on the issue of resources for IMF. In this bill we do provide for the new arrangements to borrow, and the Senate has provided the full administration requests so that I anticipate that this issue will remain one for vigorous debate as our work is completed. We sought and continue to seek cooperation support of the administration for much needed reforms at the IMF in order that all Members can be confident that this is an investment worthy of our support. A lot more work needs to be done by all of us to educate the public and promote a greater confidence in all of our foreign aid activities as well as IMF.

Finally, a note of personal thanks to the gentleman from Alabama (Mr. CALLAHAN) and our ranking member for including language in our report on behalf of the families and victims of Pan Am Flight 103 who have never received proper justice.

Ms. PELOSI. Mr. Chairman, I yield 5 minutes to the gentleman from Wisconsin (Mr. OBEY). It is a very distinct privilege to recognize the ranking member of the full committee and a person who served for many years at ranking member of this subcommittee. It is a intimidating feat to have to follow in his footsteps as ranking on this committee.

Mr. OBEY. Mr. Chairman, I thank the gentlewoman for yielding this time to me, and she has done a terrific job on this bill as she does on virtually everything else she deals with, and I also want to express my appreciation to the gentleman from Alabama (Mr. CALLAHAN) for his efforts this year and through the years to try to produce a decent bill.

Having said that, I very much regret what I am about to say. I have supported this bill for years, but I do not believe that I can any longer do so.

Since 1989 we have really had euphoria in this country. The Iron Curtain collapsed, democracy was restored in a good many countries in central Europe, South Africa is a far different country than it used to be, we have many more democracies in Latin and Central America than we had a decade ago, and I think we have almost come to expect that to be the norm. Unfortunately the real normalcy seems to be raising its ugly head in many parts of the globe, and I do not believe that this bill meets the task of dealing with those problems.

It is first of all, Mr. Chairman, terribly inadequate in terms of the way it deals with our international economic situation. We have a crisis in terms of what is happening in the Asian economy, and that sooner or later is going to collapse in on us, ruin our ability to export, and take away American jobs. And yet the majority party has refused to even allow us to vote on the question of providing full funding for the IMF, and this issue has been hanging around for a year. We cannot afford to wait any longer.

If my colleagues will take a look at the former Soviet Union, first of all this bill does not provide sufficient resources to meet the problems in dealing with those states and then, after it has cut substantially the funding for those states, it then has the functional equivalent of earmarks which tie the President's hands in responding to any change in circumstances in that part of the world. We should not be requiring the President to spend specific amounts of money in any area in the former Soviet Union unless the situation on the ground warrants it. And yet that is what this bill unfortunately does.

As far as Nagorno-Karabakh, Armenia, Azerbaijan are concerned, I am not at all convinced that the solution that this bill has produced is not more in the interests of American oil companies than it is in the interests of the American people.

□ 1415

I do not believe that this is a healthy outcome.

I also have to simply say that I think more and more, this bill has become a bill that satisfies the needs and desires of virtually every country in the world and every special interest in our own country. The only thing that seems to be left out is our national interests. That I think is no reflection on anyone who has tried to work on this bill, but it is a reflection on the shortsightedness of many of the groups that make up this body and force the committee to produce a bill which is essentially a political accommodation rather than a package that meets our real, substantive needs.

Then finally we come to the issue of Korea. In Korea we have the most reckless, irresponsible and dangerous regime in the world in North Korea. We have 5 different foreign policy goals that we are trying to reach in dealing with that outrageously out-of-line regime. We have only been able to achieve one of those goals: the shutting down of the Yongbyon reactor complex which is capable now today of producing weapons-grade fuel to produce several nuclear bombs a year. And yet, this committee has produced a product which blows apart the one success that we have had in the midst of a lot of failures in dealing with Korea. It is highly dangerous to the national interests of the United States, and I therefore urge a ''no'' vote on the entire bill.

Mr. CALLAHAN. Mr. Chairman, I yield 2½ minutes to the gentleman from California (Mr. CUNNINGHAM).

Mr. CUNNINGHAM. Mr. Chairman, I am not a member of this committee, although I am a member of the full committee, and I came to seek time because there is an increasing problem, and I have heard the same problem from both sides of the aisle. With increasing trade agreements, we have more and more American investors investing abroad, and our American citizens are getting ripped off by the same countries that we are giving foreign aid to.

A good example, in Bulgaria, one of my constituents invested $4 million, and the bank acknowledges receipt of the money. But yet, one of their employees took off with the money and they do not want to take responsibility for it. It has to go into the courts. Three years later, nothing has happened.

Dr. Raffee, known worldwide as a computer expert, was asked under Prime Minister Zia in Bangladesh to invest in a high-tech company in Bangladesh. Well, to give my colleagues an idea, Bangladesh was established by 2 men, 1 civilian, 1 military. The civilian was the first President, the military was the second President. The civilian is the father of the current prime minister, the military gentleman is the father of the previous Prime Minister Zia. Each feels that the other woman had their entire family murdered.

So my colleagues can imagine the situation that exists there. It is a blood feud paralleled not even close to the Hatfield and McCoy blood feuds. And our businessmen are getting caught right in the middle of it, and that is wrong.

What I would say is that when we have our trade agreements that there be a rule of law established and enforced that maybe the State Department could have an antiAmerican business alert, and even this committee, in extreme cases, review and take a look to make sure that our American interests are secured in these extreme cases, because there is an increasing problem. I have talked to many of my colleagues on the other side, and they have constituents with the same problems.

I would appeal to the committee and the subcommittee to take a look into this area and withhold funds not only in human rights, but American rights, just as we have in the past.

I thank the chairman for allowing me to have the time to express these concerns.

Ms. PELOSI. Mr. Chairman, I yield 1½ minutes to the gentleman from California (Mr. SHERMAN), who is an expert on international relations, and I am pleased that he will be speaking on this bill.

Mr. SHERMAN. Mr. Chairman, I thank the gentlewoman, especially for overstating my qualifications.

Mr. Chairman, I rise to talk about the part of this bill that repeals Section 907 of the Freedom Support Act. This is a critically important part of the appropriations bill. It has been addressed by half of the speakers that have come to speak about the bill in general. The Armenian National Committee and the Armenian Assembly, the 2 largest Armenian organizations, the predominant Armenian organizations, have put out a statement saying that for Armenian Americans, this is the most important vote of this Congress.

As a member of the Committee on International Relations, I feel more than a little concerned that such a substantive provision has been stuck in an appropriations bill. A provision that deals with an area that our committee had hearings on, our committee decided not to try to change this year, and then the Committee on Appropriations tries to change it.

If one believes that substantive changes should be made by authorizing committees, if one believes that American foreign policy should reflect American values, then I hope my colleagues will vote for the Radanovich-Pallone-Rogan-Sherman amendment to this bill and delete those provisions that try to play havoc with American foreign policy in the Caucasus.

Ms. PELOSI. Mr. Chairman, how much time remains on each side?

The CHAIRMAN. The gentlewoman from California (Ms. PELOSI) has 7½ minutes remaining; the gentleman from Alabama (Mr. CALLAHAN) has 2 minutes remaining.

Ms. PELOSI. Mr. Chairman, I yield 1½ minutes to the gentlewoman from Ohio (Ms. KAPTUR), a nationally recognized leader on international relations.

Ms. KAPTUR. Mr. Chairman, I would like to thank the gentlewoman from California (Ms. PELOSI) for this opportunity, and also our subcommittee chairman, the gentleman from Alabama (Mr. CALLAHAN). With all of the rumors and the swirling of media events here in Washington, I think it is important to say something about these 2 individuals who have worked so well together. They do not always agree, but they produced a bill; some may agree with it, some may not agree. But it is an example of Congress working at its best and we need to pat them on the back for that and thank them.

I also wanted to rise today and pay tribute to one of our colleagues who just walked off the floor here for a few minutes and to extend my personal gratitude to him on behalf of this institution, myself and our country, and that is the gentleman from Illinois (Mr. YATES), truly a high-minded gentleman, someone with extraordinary intelligence and the gentlemanly demeanor that is so welcome. He has an incisive knowledge of the rules, and demonstrates truly gracious behavior in every single instance in which we have had a chance to deal with him.

I am sorry he is not here, and I know he would be very embarrassed by all of these laudatory remarks. But he has been such a valued colleague to serve with and a rare talent that has raised this institution's standing as representative of our people. In fact, the standard that the gentleman from Illinois (Mr. YATES) set raised America and our people always.

I know that our country and this House, and certainly this Member, will sorely miss his presence in future meetings of this subcommittee. He has been an unforgettable Member with whom to serve. And if only in my own career, and I am sure other Members feel this way, we could model ourselves on him, America would be so much better for it.

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

I thank the gentlewoman from Ohio for her remarks about our distinguished colleague, the gentleman from Illinois (Mr. YATES).

Mr. Chairman, in my opening remarks I referred to the concern that I had that the full funding for the International Monetary Fund was not included in this legislation, and that was one of the reasons that I was urging our colleagues to oppose the bill. I have serious concerns, as I mentioned, about a conference committee increasing the IMF by $14.5 billion without the benefit of debate on the floor. I completely associate myself with those who object to the manner in which the IMF has conducted its business. I think the issue of conditionality, transparency, moral hazard, the description of how some countries and companies take risks, knowing that they will have a bailout. Maybe they make decisions based on that, or maybe they do not, but there certainly is the appearance of that happening.

I think all of these concerns are trumped by the contagion issue; by the idea that our economies are interrelated globally, and that we need to have a mechanism, we need to have an institution that can act to buoy up currencies or whatever so that our markets are not flooded by cheap labor and that the markets for our exports are not diminished.

So it is with grave concern about the impact on our own economy, and certainly with concern about the impact on the economies in the world and the well-being of those countries and their people that I believe that we should give one more round of funding to the IMF, but not any more. We should take it down to the basics and build it up from there. Again, IMF is just one other reason why I am opposing this legislation.

Another concern that I have in this legislation is that while my colleagues on the other side have traditionally given the President a great deal of flexibility in this bill, that is not the case in this bill. One area of concern that has not received much attention so far is the Global Environmental Facility, the GEF. We are $300 million in arrears with the GEF. That was the request of the administration. There is $45 million in the bill, and I had an amendment which was offered in committee and defeated that would have put $50 million more into the GEF. These are arrears, therefore I do not need an offset for the $50 million.

I think that if we care about our children and our grandchildren, we have to be concerned about the air that they breathe and the water that they drink and recognize that we are not isolated from the impact of pollution in other countries. The work of the GEF is very, very important work when it comes to improving the environmental technologies in these countries, and many of those technologies exported from the United States. That again is another reason why I am opposing the bill, because of the lack of funding, increased funding to pay the arrears at the GEF.

Mr. Chairman, how much time remains?

The CHAIRMAN. The gentleman from Alabama (Mr. CALLAHAN) has 2 minutes remaining; the gentlewoman from California (Ms. Pelosi) has 3½ minutes remaining.

Mr. CALLAHAN. Mr. Chairman, I am ready to close, and I think I have the right to close on this debate.

Ms. PELOSI. Mr. Chairman, recognizing that our distinguished chairman wishes to close, I yield 1½ minutes to the gentleman from New Jersey (Mr. PALLONE) so that he can speak before the close of the gentleman's remarks.

Mr. PALLONE. Mr. Chairman, again, I would like to rise in support of an

amendment that is being offered, hopefully soon by my colleague, the gentleman from California (Mr. RADONOVICH) of California, cosponsored by myself, and it is very simple and straightforward. It would simply strike the section relating to the repeal of Section 907 of the Freedom Support Act.

The Freedom Support Act, passed by Congress on a bipartisan basis and signed into law by President Bush, defined U.S. policy in the Newly Independent Countries of the former Soviet Union in the post-Cold War era. Section 907 prohibits direct U.S. Government aid to Azerbaijan until that country lifts its blockades of Armenia and Nagorna Karabagh.

Mr. Chairman, Section 907 was good law when we passed it back in 1992, and it is still good law. Azerbaijan has done nothing to comply with the basic requirement of Section 907 that it lift its blockades of Armenia and Nagorna Karabagh, blockades that have caused severe human hardship for the Armenian people.

□ 1430

Mr. Chairman, Azerbaijan is an authoritarian regime run by a Soviet Arab bureaucrat named Heydar Aliyev. Armenia, on the other hand, is a democracy that has tried to extend the institutions of democracy to its citizens while making the transition to a market economy.

Yet, Mr. Chairman, if we adopt the language in the foreign ops bill, we will essentially be rewarding the country that has not made the transition from Soviet era despotism and corruption and punishing the country, that is Armenia, that has moved towards democracy and a market economy and is trying to integrate with the West.

I would just like to say again, let there be no doubt that the government of Azerbaijan has blockaded Armenia for 9 years. The blockade has cut off the transport of food, fuel, medicine, and other vital supplies creating a humanitarian crisis requiring the U.S. to send assistance to Armenia.

Ms. PELOSI. Mr. Chairman, I am pleased to yield 1 minute to the gentleman from Rhode Island (Mr. KENNEDY) and commend him for his leadership on this issue.

Mr. KENNEDY of Rhode Island. Mr. Chairman, I thank the gentlewoman from California for her work on this issue and particularly my colleague, the gentleman from New Jersey (Mr. PALLONE) who I look forward to supporting as he offers his amendment with the gentleman from California (Mr. RADANOVICH) to straighten out this report with respect to ending the sanctions on those countries that are blockading the democratic country of Armenia, which is a country that this country should be doing more to work closely with and support.

Instead, our Nation's policy is that, as embodied in this report, to make friends with a regime that is totally antithetical to the principles that this country holds dear, those democratic principles that are so important to this country and are also important it our friends in Armenia.

I look forward to supporting the gentleman from New Jersey (Mr. PALLONE) as he seeks to strike this language that would call for an end of sanctioning a country like Azerbaijan for what they should be sanctioned for. I agree with my colleague, the gentleman from New Jersey (Mr. PALLONE) that we need to continue the pressure on these regimes so that they end the blockade of Armenia and Nagorno-Karabakh.

Ms. PELOSI. Mr. Chairman, I yield myself the final minute to close.

Mr. Chairman, in closing, I would just like to again commend the gentleman from Alabama, our chairman, for his leadership and his cooperation. I want to commend the staff, the majority staff, Mr. Charlie Flickner, John Shank, Bill Inglee, and also Mark Murray and Lori Maes on the minority side. I commend Nancy Tippins of Mr. Callahan's personal staff, and Carolyn Bartholomew of my personal staff as well.

I see the gentleman from Virginia (Mr. WOLF) on the floor, and it is always a pleasure to work with him on these international issues. I want to commend Ann Huiskes of his staff for her work. Earlier the gentleman from New Jersey (Mr. SMITH) was on the floor, and I want to commend Joseph Reese of his staff with whom we have worked. While the gentleman from New Jersey (Mr. SMITH) is not on the subcommittee, we have worked on many of these international issues although we are not in complete agreement today.

Mr. Chairman, again I urge my colleagues to oppose this legislation. I think it does not measure up to the vision that our country should have about our foreign policy, that it is a departure from our bipartisan tradition on international relations, and that we can do better. I hope that, in the course of the process, we will and that I will be able to support the bill. But as it stands now, I urge my colleagues to vote ''no'' on this bill.

The CHAIRMAN. The time of the gentlewoman from California (Ms. PELOSI) has expired.

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

Mr. Chairman, all of the points during this debate have been well taken and that is exactly what this body is all about. Basically, though, this is a good bill. It is a bill that has received majority support in both subcommittee and full committee.

There are several issues of contention that we will debate this afternoon, one of them being Section 907 whereby I disagree with the other side and the gentlewoman from California about the merits of what we have done. We have done exactly the right thing.

The other is the future funding of the International Monetary Fund. While we do not disagree on what we hope this world will be in the hands of those who control the monies of the International Monetary Fund, they are not doing it in a responsible manner now.

That is what this body is all about, to debate the differences. But let us not lose sight of where we are. We are $3.5 million below the subcommittee's allocation of $12.4 billion, so we are below our request. We are within our outlay. We are $315 million below last year. We are $1.1 billion below what the President has requested for 1999.

In addition to that, we have protected things such as child survival. If we talk to the American people, they are against foreign aid. Most of them do not understand how little we give to foreign aid. But if we mention to them we are taking most of this money and spending it on children who are starving on other continents, if we tell them we are trying to provide health care and trying to remove horrible diseases that are prevalent in some areas, such as the polio which we seek to eradicate, with foreign aid monies, the American people do not want to see starving children starved. They do not want to see unhealthy children not receive medical attention.

They want to assist in education. They want to stop government-to-government aid that have been an indication of past years. So we have a responsible bill with a few major controversies that will be discussed.

Mr. DINGELL. Mr. Chairman, Members should know that even as we consider funds in this bill for the International Monetary Fund (IMF), the Government of Korea is backing away from commitments it made to the IMF and to the world community to finally put an end to government directed lending, corporate subsidies, and interference with corporate governance. A new round of bidding was recently announced for Korea's huge bankrupt motor vehicle company, Kia Motors and its affiliate Asia Motors, after Kia's creditors announced that 30 percent of Kia and Asia Motors' $8.7 billion in bad debt would be ''forgiven'' so that these companies, which some estimate have been bankrupt since 1991, can be sold as viable entities.

I might add, the only two non-Korean firms that have expressed an interest in buying Kia are U.S. companies, General Motors and Ford. General Motors and Ford have now withdrawn from the bidding, because they cannot justify the burdensome terms set by the creditors for the sale. As a result, Kia's creditors have now successfully forced all foreign firms out of the bidding, leaving only Korean companies, Samsung, Hyundai and Daewoo, as contenders for Kia.

Who is setting these impossible conditions? Principally, it is none other than the Government of Korea once again attempting to financially prop up Kia and to control its fate, even though it told the IMF it would no longer engage in this kind of activity. Kia's creditors are represented by the Korea Development Bank, which is 100 percent owned and controlled by the Government of Korea. The Korean Government also directly holds a 30 percent equity interest in Kia.

By blocking the sale of Kia's assets as a bankrupt, non-viable entity, the Government of

Korea may be protecting its own equity stake in the company, but it is perpetuating the very nonmarket-based government subsidization and interference that has produced the calamitous decline of Korea's economy.

Is this the kind of ''reform'' that we thought the Government of Korea had committed to implement in return for the $60 billion loan package it received from the IMF? If not, we must demand that our government exercise strict and aggressive monitoring of how every penny of the IMF funding is used and what Korea is doing to implement its commitments to the IMF and to fulfill its trade obligations to the world community.

We cannot allow U.S. tax dollars to be used to continue the operation of non-viable, bankrupt Korean auto, steel, and other firms that dump cheap imports in our market and undermine otherwise competitive products made by U.S. firms and U.S. workers.

Without strict monitoring and reporting to Congress, we will never know what Korea is doing. It is simply not good enough for Administration officials to make vague statements about being ''encouraged'' by the progress of Korea's economic reform. Korea has institutions and policies that enable the government to intervene in commercial lending and corporate governance. This Congress needs to know what Korea is doing to restructure those institutions and to change those policies, so that government intervention in the private economy is minimized and Korean markets are open to U.S. and other foreign competitors.

Mr. Chairman, the legislation we are considering contains significant requirements applicable to Korea and other IMF recipients. It provides that IMF-recipient governments shall not give government support or tax privileges to individual firms. The government-owned Korea Development Bank's decision to ''forgive'' a large share of Kia's debt, so that it can be sold as a viable entity, is government support of the most fundamental kind and violates the prohibition in this legislation. But without strict monitoring and reporting to Congress, the Government of Korea is free to ignore these and other warnings. We must not let that happen.

Together with my Colleagues, Mr. MURTHA and Mr. REGULA, I have written Secretary of the Treasury Rubin, Secretary of Commerce Daley, and U.S. Trade Representatives Barshefsky, asking a number of detailed questions about reforms in Korea, and in particular, about the sale of Korea's bankrupt auto, steel, and other firms. When I receive their response, I will make it available in an effort to keep Members informed on this important matter.

Ms. STABENOW. Mr. Chairman, I will vote yes on the final passage of H.R. 4569 with serious reservations. I urge the Senate and the Conference Committee to address the issue of family planning and other serious flaws that exist in the bill. If significant improvements are not made in the bill before it returns to the House of Representatives, I do not intend to support the final passage of this legislation.

Ms. RIVERS. Mr. Chairman, I will vote yes for H.R. 4569 with the expectation that Senate and Conference activity will remedy the serious flaws that exist in the bill. If these inadequacies are not addressed before it returns to the House, I will not support its ultimate passage.

Mr. LEVIN. Mr. Chairman, I will support passage of H.R. 4569, the Foreign Operations Appropriation for fiscal year 1999. I do so in spite of serious concerns over a number of the bill's provisions.

Unfortunately, the Majority has once again been unwilling to provide adequate funding for the International Monetary Fund. H.R. 4569 provides only $3.4 billion in credits to the IMF, far less than is needed to deal with the spreading economic crisis in Asia, Russia and other countries, and far less than the $18 billion requested by the Administration. It is particularly unfortunate that the Majority would not even allow an amendment on IMF funding in order to let the House have an up-or-down vote on the matter.

I also object to language contained in this bill to codify the so-called ''Mexico City'' restrictions on U.S. funds for international family planning organizations. Finally, I believe the provisions related to North Korea and funding for the Newly Independent States of the former Soviet Union need to be improved.

I hope that these deficiencies in the bill can be corrected in conference with the Senate. I will not support the conference report unless there are major changes.

Mr. BENTSEN. Mr. Chairman, I rise in reluctant support of the fiscal year 1999 Foreign Operations Appropriations bill, but I strongly support the bill's provision to provide $3 billion in aid to Israel.

While I support final passage of this bill, I am very concerned about the inadequate response to the shortfall in funding for the International Monetary Fund. It has been nearly a year since the Administration requested $3.4 billion for the New Arrangements to Borrow (NAB) and $14.5 billion to address the Asian currency crisis. This bill provides only the $3.4 billing in credits for the International Monetary Fund. Unless the U.S. provides the full share requested, which has no budgetary impact, no other member countries will increase their participation, which all IMF member countries are being asked to make, and we would be unable to replenish the IMF's depleted reserves and fund loan packages to address worldwide currency devaluations.

Without this investment, the IMF will have fewer resources to meet future needs to provide economic stability and in particular stability to markets for US exports. Given that the Senate has passed the full amount requested, I am hopeful that the full Administration funding level will be met when conference action takes place on this bill. If the House fails to adopt the Senate provision with respect to the IMF funding and the President vetoes the bill as he has said he would, I would have no choice but to support the veto.

While I have serious concerns about funding levels for the IMF, I strongly support aid to Israel, and am very pleased with the $3 billion appropriated for economic and military assistance provided in this bill. I believe the United States must maintain its commitment to providing aid to Israel, which is in the United States' strategic and economic best interest. An important regional ally and the only true democracy in the Middle East, Israel is certainly deserving of this support.

The American-Israeli partnership is vital because it exists beyond normal political and strategic bonds. Both nations share a common set of values—individual responsibility, freedom, hope, and opportunity. Israel is the most reliable ally of the United States in the Middle East and continued foreign aid funding will maintain its solid partnership with the United States. Because of the importance of the United States-Israel relationship and the strength of Israel's democracy, the United States has a strong, stable democratic ally. By its continued support of Israel, the United States honors a historic commitment to a fellow democracy with which we share unique security, economic, and cultural ties.

I do not believe there is anything more important than to forge a just and lasting peace for the Middle East. I urge my colleagues to continue our support for Israel and to further our national interests by voting for this appropriation.

Mr. UNDERWOOD. Mr. Chairman, I strongly oppose this rule which would block any amendments to provide funding for the International Monetary Fund (IMF). The IMF is an indispensable organization formed in 1945 to assist its members with monetary issues and financial cooperation. It is no surprise that the IMF has grown from 29 member countries to 182 nations today.

Mr. Speaker, the rule we have before us today would rob us of the opportunity to continue to assist nations heavily affected by the economic contagion which has spread from Asia to Russia to Latin America. The global economic structures demand that we consider a rule which would allow us to replenish the IMF's depleted reserves. The requisite $14.5 billion assists not only the economically troubled areas I have mentioned, but also the United States. Due to the nature of our interlinked world economies, it is not so difficult to comprehend that financial woes in South Korea and Russia will eventually reach our shores. For example, Asia purchases about 40% of American agricultural exports. American exports to Asia are expected to decrease by 3 to 6% this year alone due to reduction of demand in this region.

The people of Guam, my constituents, have felt the effects of the Asian Financial Crisis since it commenced last year. With our tourist economy dependent on the investment of our Asian neighbors, we have witnessed dwindling tourism numbers effectively shutting down local businesses and leaving numerous individuals unemployed. Between July 1997 and July 1998, Guam visitor arrival numbers plummeted by an astounding 23%.

Critics of the IMF cite that this would be the appropriate time to force reforms on the IMF, such as increasing the transparency of its operations. This reasoning is myopic. The would continues to be in the throes of financial crises, and instead of assisting, the United States is stymieing efforts to assist troubled nations. Exacting conditions on the IMF at this point would be counterproductive to furthering American economic interests.

In the interest of our economic well-being, I urge my colleagues to oppose H. Res. 542.

Mr. ROGAN. Mr. Speaker, today the House of Representatives will pass H.R. 4569, the 1999 Foreign Operations Appropriations Act. Contained within this act was an important provision I am proud to have cosponsored. The provision eliminated language that would have repealed section 907 of the Freedom of Support Act of 1992. I want to applaud and recognize the overwhelming bipartisan support this measure received.

The passage of this Amendment sends the clear message that the United States does not

condone the government of Azerbaijan's cruel and inhumane blockade of Armenia and Nagorno Karabagh. This embargo is still in effect today. As a result of this economic chokehold, a bipartisan group of legislators included a provision to the Freedom Support Act known as Section 907.

The Radanovish-Pallone-Rogan-Sherman amendment retains current law (Section 907) by prohibiting U.S. tax dollars from going to the dictatorial government of Azerbaijan until its government takes steps to lift its blockade. Presently humanitarian aid may go to the people of Azerbaijan through private charities. Maintaining this section promotes the cause of democracy, while sending the message that human rights violations and actions that compromise the expansion of democracy will not be tolerated.

Mr. VENTO. Mr. Chairman, I rise today in strong opposition to the Foreign Operation Appropriations Bill for FY 99 reported out of the Appropriations Committee. Once again, the GOP leadership has all but ensured confrontation with the Republican led Senate and has set the Congress on a collision course with the White House. This bill has several serious flaws that fail to address the ongoing global economic crisis and is simply not adequate to meet our national security requirements or to meet our obligations and responsibilities as the world's only superpower. Specifically, this bill ignores the President's request of the total $18 billion for the International Monetary Fund (IMF) and is vital to serve and replenish the IMF funding base which has been severely depleted by the financial crisis in Mexico, Asia and Russia; again includes restrictive language on international family planning funding; fully funds the United States School of Americans (SOA) which has a long history of instructing human rights abusers; and underfunds important international programs that are crucial to an effective foreign policy.

The changes that have occurred in the world in the last decade have provided the United States unprecedented opportunities to enhance our national and economic security by solidifying our global leadership and by bringing democracy to many countries. The Congress has debated the IMF replenishment for a full year. In that time, the economic crisis has spread from Asia to Russia, and is now threatening to strike in Latin America. It is not time for Congress to take a proactive role on this replenishment. The IMF is an imperfect solution, not the problem, and it is one of the only tools available to address the serious global economic turmoil. As a senior Member of the House Banking Committee, I visited southeast Asia last winter and met with political and financial leaders in China, Korea and Japan. Following the trip, I was convinced more than ever that the Asian economic contagion would not be isolated to Asia. Just yesterday, Federal Reserve Chairman Greenspan and Treasury Secretary Rubin stressed again the importance of increasing the funding for the IMF. Furthermore, the Republican led Senate included the full $18 Billion requested by the Administration in its passed Foreign Operations Bill. The fact remains that the replenishment of the IMF will ultimately benefit American workers, businesses and farmers by protecting our economic strength.

This bill also contains language restricting foreign organizations who receive family planning assistance from using their own funds to seek to change laws in their own respective country. This provision punishes organizations for engaging in legal activities in their own countries that would be protected by the First Amendment, if carried out in the United States. Funding for preventive family planning leads to a decrease in unintended pregnancies, a decrease in maternal deaths, and a decrease in abortion. Funds under these programs are legally prohibited from supporting or encouraging abortion as a method of family planning. These restrictions are safeguarded by legally binding contracts with the organizations that receive U.S. funds, by close technical monitoring, and by regular audits by independent, nationally recognized accounting firms. None of these funds are utilized for abortion purposes.

International family planning assistance is intended to help women make informed health care decisions, improve the quality of life for citizens of developing nations, and promote economic responsibility in allocating scarce resources. Ultimately, I believe it will be in the best interest of the United States to support programs that strive to help the poor and underprivileged, especially women in such need. Such funds prevent unwanted pregnancies and the abortions that may follow. In its current form, this provision would even muzzle organizations from speaking out against abortion in their own countries. Again, the GOP led Senate did not include this restrictive language in its version, thus setting up a difficult conference negotiation. Furthermore, the President has indicated clearly that this language is unacceptable and that he will veto any bill containing such language.

Again, the GOP leadership insisted on providing full funding for expanding the International Military Education and Training (IMET) programs to countries with horrific histories of human rights abuses. Specifically, funding for the School of the Americas (S.O.A.). The S.O.A. was established in 1946 to train military officers from Latin American countries. To date, nearly 60,000 military personnel from various Latin American countries have attended the S.O.A. Unfortunately, upon returning to their home countries a number of graduates have participated in the overthrow of democratically elected governments and in broad abuses of human rights. The lessons taught by the U.S. at the S.O.A. were clearly not very effective in guiding democratic military conduct. I have serious apprehension to any congressional commitment to S.O.A. instruction that will bring about positive change in Latin America or in the Global theater. Only the closure of the S.O.A. could better serve this objective. That is the right thing to do symbolically and substantively.

This bill appropriates only $43 million of the $300 million requested by the President for the Global Environment Facility (G.E.F) of the World Bank. This important facility funds environmental projects throughout the world. The G.E.F. was created in response to the vast needs in developing countries for multilateral resources devoted to mitigating environmental problems. Currently, the G.E.F. is funding programs to address a variety of environmental problems including the promotion of a biodiversity, creating energy efficiency and cleaning up polluted water. Without additional funding, G.E.F. will run out of money soon and this vital work will stop.

Many funding levels for programs that the Committee has reported will severely undercut our ability to provide leadership throughout the global community. Specifically, the Peace Corps defining programs, the Export Import Bank, and the Protocols to implement the Comprehensive Test Ban Treaty.

Overall, this bill fails to provide adequate resources to meet our national security requirements and reaffirm our obligation and responsibilities as the world's superpower. The Republican leaders has again illustrated its indifference to meeting the needs of the global financial crises, reaffirming its commitments to human rights, providing environmental leadership abroad, and assisting those who need our help the most in this age of poverty, civil discord and economic turmoil. I urge Members to vote no on this bill.

Mr. BEREUTER. Mr. Chairman, this Member rises to express his support for H.R. 4569, the Foreign Operations and Export Financing Act for 1999. This Member would like to also express his strong support for provisions within this measure that support the U.S. Army School of the Americas.

Mr. Speaker, as many of my colleagues are aware, there has been a concerted effort to close the U.S. Army School of the Americas by opponents of the school that have often used distorted or false information that serves one purpose—to mislead the American public. The U.S. Army School of the Americas is a U.S. Army military training institution that it is a key Latin American foreign policy tool for the United States and an integral part of the U.S. Southern Command's engagement strategy in Latin America.

The primary mission of the School is to promote democracy, civilian control of the military, respect for human rights, and doctrinally sound, relevant military education and training to the nations of Latin America. With the change in the National Security Strategy from containment to engagement and enlargement the U.S. Army School of the Americas has shifted its curriculum to provide course instruction in areas such as civil-military operations, counterdrug operations, democratic sustainment, peacekeeping operations, and humanitarian demining.

Opponents of the School have attempted to place the blame for many of the human rights abuses in Latin American countries on the U.S. Army School of the Americas. It should be noted that in the 50-year existence of the School and its almost 60,000 graduates that less than one percent of those students have ever been linked to human rights violations. The human rights training taught is more comprehensive than human rights training taught at any other U.S. military school.

Also, of critical importance is the counterdrug operations course at the U.S. Army School of the Americas which teaches both military and civilian police forces the necessary skills to stop the cultivation, production and transportation of illegal drugs. Many of the School's graduates have lost their lives while combating the narco-guerrillas and drug lords in Bolivia, Colombia, and Ecuador—key countries in the United States war on drugs. These counterdrug operations are of vital interest to our national security as the efforts of these brave Latin American soldiers are aimed at reducing the flow of drugs across our borders.

The U.S. Army School of the Americas has been endorsed by the Department of State, the Department of Defense, the Department of the Army, the Office of National Drug Control

Policy, and the Drug Enforcement Agency. The School does far more good in promoting democratic values and respect for human rights among Latin American countries.

This Member supports the sustainment of the U.S. Army School of the Americas as provided in the Foreign Operations and Export Financing Act for 1999 and urges his colleagues to do so as well.

Mrs. TAUSCHER. Mr. Chairman, I rise in support of the Pelosi amendment to fully fund the International Monetary Fund.

Mr. Chairman, Congress is once again prohibited from moving forward on the incredible important issue of IMF replenishment. Earlier this year, the House Banking Committee supported a bill to fully fund the IMF by a 40-9 vote. This bipartisan measure includes needed reforms of the program to make the Fund more transparent and accountable, improve labor standards in recipient countries, and increase the effectiveness of market-oriented reforms. Unfortunately, since the consideration of this measure in committee, IMF funding has been bogged down by extraneous issues. This must stop.

The global economy has been going through a tumultuous time over the past year. First the Asian Tigers slipped, then Russia. Now we are receiving news that Brazil, one of the strongest and largest economies in Latin America, is experiencing economic retraction. We need to stand up and do what's right, not only to bolster the global economy, but to protect American economy, American jobs, and American values. Should our economy falter, the Federal budget surplus will be at risk.

How can we, as stewards of our Nation's fiscal house, oppose IMF funding when failure to do so threatens to drag our strong domestic economy along with it? I urge my colleagues to oppose the point of order and support full IMF funding.

Mr. KLINK. Mr. Chairman, it is disappointing to me that the House is moving to approve new funding for the International Monetary Fund (IMF) in this legislation and shutting out amendments on the IMF, because the IMF Board of Directors is working on a capital deregulation agenda very similar to the Multilateral Agreement on Investment (MAI).

The amendment I intended to offer with my friend from Florida, Ms. ROS-LEHTINEN, would have required the Secretary of the Treasury to oppose an attempt by the IMF to expand its jurisdiction over international capital flows, before any new money is released for the IMF.

We won't be able to offer that amendment because the rule for this bill puts time constraints on amendments and does not make IMF amendments in order. That is unfortunate.

The MAI is a highly controversial international investment treaty which has existed in near obscurity for more than 2 years. The MAI was conceived in secrecy, negotiated mostly in secret, and, if the IMF has its way, it will implement provisions very similar to the MAI in secret. The future of the MAI is uncertain, but the IMF's plan to liberalize controls on capital is moving full speed ahead.

The IMF is working on an amendment to its Articles of Agreement that would give the IMF the power to require member countries to commit to full capital account liberalization. The IMF could then dictate to countries the removal of all barriers to the international flow of capital. The IMF would become the ultimate enforcer of capital deregulation. This would increase the IMF's power over all member countries, including the United States U.S. investor protection laws could be endangered, and Congress would have nothing to say about it.

The IMF's proposed capital liberalization strategy would also increase the likelihood and scope of future financial crises. Rapidly growing and extremely volatile international capital flows have rendered may emerging markets and developing countries extremely vulnerable to destabilizing speculative capital. The IMF's dismal record of predicting these crises increase the possibility that Congress will be called upon to bail out troubled economies in the future. If you add weakened capital regulation to that mix, the sky becomes the limit for these bailouts.

Whatever you think of the MAI or the IMF, the kind of important decisions contemplated to require the United States to remove controls on the flow of capital should be made by Congress, not unelected international bureaucrats. Furthermore, we should not be throwing good money after bad in these troubled foreign economies by dumbing down their capital flow controls.

We shouldn't give the IMF a blank check with this bill and we definitely should not allow the IMF to assume the ability to require the weakening of the regulation of the movement of capital either here in the United States or in other countries.

The Klink/Ros-Lehtinen amendment would have ensured that Congress has the say in developing U.S. capital regulations and help prevent or reduce any future bailouts by the IMF. I'm disappointed that our amendment could not be debated today.

The CHAIRMAN. All time for general debate has expired.

Pursuant to the rule, the bill shall be considered for amendment under the 5-minute rule for a period not to exceed 5 hours and shall be considered read through page 141, line 18.

The text of H.R. 4569 through page 141, line 18 is as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the following sums are appropriated, out of any money in the Treasury not otherwise appropriated, for the fiscal year ending September 30, 1999, and for other purposes, namely:

TITLE I—EXPORT AND INVESTMENT ASSISTANCE

EXPORT-IMPORT BANK OF THE UNITED STATES

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

SUBSIDY APPROPRIATION

For the cost of direct loans, loan guarantees, insurance, and tied-aid grants as authorized by section 10 of the Export-Import Bank Act of 1945, as amended, $745,500,000 to remain available until September 30, 2003: *Provided,* That such costs, including the cost of modifying such loans, shall be as defined in section 502 of the Congressional Budget Act of 1974: *Provided further,* That such sums shall remain available until 2014 for the disbursement of direct loans, loan guarantees, insurance and tied-aid grants obligated in fiscal years 1999 and 2000: *Provided further,* That none of the funds appropriated by this Act or any prior Act appropriating funds for foreign operations, export financing, or related programs for tied-aid credits or grants may be used for any other purpose except through the regular notification procedures of the Committees on Appropriations: *Provided further,* That funds appropriated by this paragraph are made available notwithstanding section 2(b)(2) of the Export-Import Bank Act of 1945, in connection with the purchase or lease of any product by any East European country, any Baltic State, or any agency or national thereof.

ADMINISTRATIVE EXPENSES

For administrative expenses to carry out the direct and guaranteed loan and insurance programs (to be computed on an accrual basis), including hire of passenger motor vehicles and services as authorized by 5 U.S.C. 3109, and not to exceed $20,000 for official reception and representation expenses for members of the Board of Directors, $50,277,000: *Provided,* That necessary expenses (including special services performed on a contract or fee basis, but not including other personal services) in connection with the collection of moneys owed the Export-Import Bank, repossession or sale of pledged collateral or other assets acquired by the Export-Import Bank in satisfaction of moneys owed the Export-Import Bank, or the investigation or appraisal of any property, or the evaluation of the legal or technical aspects of any transaction for which an application for a loan, guarantee or insurance commitment has been made, shall be considered nonadministrative expenses for the purposes of this heading.

OVERSEAS PRIVATE INVESTMENT CORPORATION

NONCREDIT ACCOUNT

The Overseas Private Investment Corporation is authorized to make, without regard to fiscal year limitations, as provided by 31 U.S.C. 9104, such expenditures and commitments within the limits of funds available to it and in accordance with law as may be necessary: *Provided,* That the amount available for administrative expenses to carry out the credit and insurance programs (including an amount for official reception and representation expenses which shall not exceed $35,000) shall not exceed $33,000,000: *Provided further,* That project-specific transaction costs, including direct and indirect costs incurred in claims settlements, and other direct costs associated with services provided to specific investors or potential investors pursuant to section 234 of the Foreign Assistance Act of 1961, shall not be considered administrative expenses for the purposes of this heading.

PROGRAM ACCOUNT

For the cost of direct and guaranteed loans, $50,000,000, as authorized by section 234 of the Foreign Assistance Act of 1961 to be derived by transfer from the Overseas Private Investment Corporation Noncredit Account: *Provided,* That such costs, including the cost of modifying such loans, shall be as defined in section 502 of the Congressional Budget Act of 1974: *Provided further,* That such sums shall be available for direct loan obligations and loan guaranty commitments incurred or made during fiscal years 1999 and 2000: *Provided further,* That such sums shall

remain available through fiscal year 2007 for the disbursement of direct and guaranteed loans obligated in fiscal year 1999, and through fiscal year 2008 for the disbursement of direct and guaranteed loans obligated in fiscal year 2000: *Provided further*, That in addition, such sums as may be necessary for administrative expenses to carry out the credit program may be derived from amounts available for administrative expenses to carry out the credit and insurance programs in the Overseas Private Investment Corporation Noncredit Account and merged with said account.

FUNDS APPROPRIATED TO THE PRESIDENT

TRADE AND DEVELOPMENT AGENCY

For necessary expenses to carry out the provisions of section 661 of the Foreign Assistance Act of 1961, $41,500,000, to remain available until September 30, 2000: *Provided*, That the Trade and Development Agency may receive reimbursements from corporations and other entities for the costs of grants for feasibility studies and other project planning services, to be deposited as an offsetting collection to this account and to be available for obligation until September 30, 2000, for necessary expenses under this paragraph: *Provided further*, That such reimbursements shall not cover, or be allocated against, direct or indirect administrative costs of the agency.

TITLE II—BILATERAL ECONOMIC ASSISTANCE

FUNDS APPROPRIATED TO THE PRESIDENT

For expenses necessary to enable the President to carry out the provisions of the Foreign Assistance Act of 1961, and for other purposes, to remain available until September 30, 1999, unless otherwise specified herein, as follows:

AGENCY FOR INTERNATIONAL DEVELOPMENT

CHILD SURVIVAL AND DISEASE PROGRAMS FUND

For necessary expenses to carry out the provisions of chapters 1 and 10 of part I of the Foreign Assistance Act of 1961, for child survival, basic education, assistance to combat tropical and other diseases, and related activities, in addition to funds otherwise available for such purposes, $650,000,000, to remain available until expended: *Provided*, That this amount shall be made available for such activities as: (1) immunization programs; (2) oral rehydration programs; (3) health and nutrition programs, and related education programs, which address the needs of mothers and children; (4) water and sanitation programs; (5) assistance for displaced and orphaned children; (6) programs for the prevention, treatment, and control of, and research on, tuberculosis, HIV/AIDS, polio, malaria and other diseases; and (7) up to $98,000,000 for basic education programs for children: *Provided further*, That none of the funds appropriated under this heading may be made available for nonproject assistance.

DEVELOPMENT ASSISTANCE

(INCLUDING TRANSFER OF FUNDS)

For necessary expenses to carry out the provisions of sections 103 through 106 and chapter 10 of part I of the Foreign Assistance Act of 1961, $1,174,000,000, to remain available until September 30, 2000: *Provided*, That none of the funds made available in this Act nor any unobligated balances from prior appropriations may be made available to any organization or program which, as determined by the President of the United States, supports or participates in the management of a program of coercive abortion or involuntary sterilization: *Provided further*, That none of the funds made available under this heading may be used to pay for the performance of abortion as a method of family planning or to motivate or coerce any person to practice abortions; and that in order to reduce reliance on abortion in developing nations, funds shall be available only to voluntary family planning projects which offer, either directly or through referral to, or information about access to, a broad range of family planning methods and services: *Provided further*, That in awarding grants for natural family planning under section 104 of the Foreign Assistance Act of 1961 no applicant shall be discriminated against because of such applicant's religious or conscientious commitment to offer only natural family planning; and, additionally, all such applicants shall comply with the requirements of the previous proviso: *Provided further*, That for purposes of this or any other Act authorizing or appropriating funds for foreign operations, export financing, and related programs, the term ''motivate'', as it relates to family planning assistance, shall not be construed to prohibit the provision, consistent with local law, of information or counseling about all pregnancy options: *Provided further*, That nothing in this paragraph shall be construed to alter any existing statutory prohibitions against abortion under section 104 of the Foreign Assistance Act of 1961: *Provided further*, That, notwithstanding section 109 of the Foreign Assistance Act of 1961, of the funds appropriated under this heading in this Act, and of the unobligated balances of funds previously appropriated under this heading, not to exceed $2,500,000 may be transferred to ''International Organizations and Programs'' for a contribution to the International Fund for Agricultural Development (IFAD), and that any such transfer of funds shall be subject to the regular notification procedures of the Committees on Appropriations: *Provided further*, That none of the funds appropriated under this heading may be made available for any activity which is in contravention to the Convention on International Trade in Endangered Species of Flora and Fauna (CITES): *Provided further*, That none of the funds appropriated under this heading may be made available for assistance for the central Government of the Republic of South Africa, until the Secretary of State reports in writing to the appropriate committees of the Congress on the steps being taken by the United States Government to negotiate the repeal, suspension, or termination of section 15(c) of South Africa's Medicines and Related Substances Control Amendment Act No. 90 of 1997.

PRIVATE AND VOLUNTARY ORGANIZATIONS

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

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

INTERNATIONAL DISASTER ASSISTANCE

For necessary expenses for international disaster relief, rehabilitation, and reconstruction assistance pursuant to section 491 of the Foreign Assistance Act of 1961, as amended, $150,000,000, to remain available until expended.

MICRO AND SMALL ENTERPRISE DEVELOPMENT PROGRAM ACCOUNT

For the cost of direct loans and loan guarantees, $1,500,000, as authorized by section 108 of the Foreign Assistance Act of 1961, as amended: *Provided*, That such costs shall be as defined in section 502 of the Congressional Budget Act of 1974: *Provided further*, That guarantees of loans made under this heading in support of microenterprise activities may guarantee up to 70 percent of the principal amount of any such loans notwithstanding section 108 of the Foreign Assistance Act of 1961. In addition, for administrative expenses to carry out programs under this heading, $500,000, all of which may be transferred to and merged with the appropriation for Operating Expenses of the Agency for International Development: *Provided further*, That funds made available under this heading shall remain available until September 30, 2000.

URBAN AND ENVIRONMENTAL CREDIT PROGRAM ACCOUNT

For administrative expenses to carry out guaranteed loan programs, $5,500,000, all of which may be transferred to and merged with the appropriation for Operating Expenses of the Agency for International Development.

PAYMENT TO THE FOREIGN SERVICE RETIREMENT AND DISABILITY FUND

For payment to the ''Foreign Service Retirement and Disability Fund'', as authorized by the Foreign Service Act of 1980, $44,552,000.

OPERATING EXPENSES OF THE AGENCY FOR INTERNATIONAL DEVELOPMENT

For necessary expenses to carry out the provisions of section 667, $460,000,000: *Provided*, That none of the funds appropriated by this Act for programs administered by the Agency for International Development may be used to finance printing costs of any report or study (except feasibility, design, or evaluation reports or studies) in excess of $25,000 without the approval of the Administrator of the Agency or the Administrator's designee.

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

For necessary expenses to carry out the provisions of section 667, $31,500,000, to remain available until September 30, 2000, which sum shall be available for the Office of the Inspector General of the Agency for International Development.

OTHER BILATERAL ECONOMIC ASSISTANCE

ECONOMIC SUPPORT FUND

For necessary expenses to carry out the provisions of chapter 4 of part II, $2,326,000,000, to remain available until September 30, 2000: *Provided*, That of the funds appropriated under this heading, not to exceed $1,080,000,000 shall be available only for Israel, which sum shall be available on a grant basis as a cash transfer and shall be disbursed within 30 days of enactment of this Act or by October 31, 1998, whichever is later: *Provided further*, That not to exceed $775,000,000 shall be available only for Egypt, which sum shall be provided on a grant basis, and of which sum cash transfer assistance

may be provided, with the understanding that Egypt will undertake significant economic reforms which are additional to those which were undertaken in previous fiscal years: *Provided further,* That in exercising the authority to provide cash transfer assistance for Israel, the President shall ensure that the level of such assistance does not cause an adverse impact on the total level of nonmilitary exports from the United States to such country.

INTERNATIONAL FUND FOR IRELAND

For necessary expenses to carry out the provisions of chapter 4 of part II of the Foreign Assistance Act of 1961, $19,600,000, which shall be available for the United States contribution to the International Fund for Ireland and shall be made available in accordance with the provisions of the Anglo-Irish Agreement Support Act of 1986 (Public Law 99–415): *Provided,* That such amount shall be expended at the minimum rate necessary to make timely payment for projects and activities: *Provided further,* That funds made available under this heading shall remain available until September 30, 2000.

ASSISTANCE FOR EASTERN EUROPE AND THE BALTIC STATES

(a) For necessary expenses to carry out the provisions of the Foreign Assistance Act of 1961 and the Support for East European Democracy (SEED) Act of 1989, $450,000,000, to remain available until September 30, 2000, which shall be available, notwithstanding any other provision of law, for economic assistance and for related programs for Eastern Europe and the Baltic States.

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

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

(d) With regard to funds appropriated under this heading for the economic revitalization program in Bosnia and Herzegovina, and local currencies generated by such funds (including the conversion of funds appropriated under this heading into currency used by Bosnia and Herzegovina as local currency and local currency returned or repaid under such program)—

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

(2) the provisions of section 532 of this Act shall apply.

(e) The President is authorized to withhold funds appropriated under this heading made available for economic revitalization programs in Bosnia and Herzegovina, if he determines and certifies to the Committees on Appropriations that the Federation of Bosnia and Herzegovina has not complied with article III of annex 1–A of the General Framework Agreement for Peace in Bosnia and Herzegovina concerning the withdrawal of foreign forces, and that intelligence cooperation on training, investigations, and related activities between Iranian officials and Bosnian officials has not been terminated.

(f) Not to exceed $225,000,000 of the funds appropriated under this heading may be made available for Bosnia and Herzegovina.

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

ASSISTANCE FOR THE NEW INDEPENDENT STATES OF THE FORMER SOVIET UNION

(a) For necessary expenses to carry out the provisions of chapter 11 of part I of the Foreign Assistance Act of 1961 and the FREEDOM Support Act, for assistance for the new independent states of the former Soviet Union and for related programs, $590,000,000, to remain available until September 30, 2000: *Provided,* That the provisions of such chapter shall apply to funds appropriated by this paragraph.

(b) Funds appropriated under title II of this Act, including funds appropriated under this heading, should be made available for assistance for Mongolia at a level which is at least equivalent to the level provided in fiscal year 1998: *Provided,* That funds made available for assistance for Mongolia may be made available in accordance with the purposes and utilizing the authorities provided in chapter 11 of part I of the Foreign Assistance Act of 1961.

(c)(1) Of the funds appropriated under this heading that are allocated for assistance for the Government of Russia, 50 percent shall be withheld from obligation until the President determines and certifies in writing to the Committees on Appropriations that the Government of Russia has terminated implementation of arrangements to provide Iran with technical expertise, training, technology, or equipment necessary to develop a nuclear reactor, related nuclear research facilities or programs, or ballistic missile capability.

(2) Notwithstanding paragraph (1) assistance may be provided for the Government of Russia if the President determines and certifies to the Committees on Appropriations that making such funds available: (A) is vital to the national security interest of the United States; and (B) that the Government of Russia is taking meaningful steps to limit major supply contracts and to curtail the transfer of technology and technological expertise related to activities referred to in paragraph (1).

(d) Not more than 25 percent of the funds appropriated under this heading may be made available for assistance for any country in the region.

(e) Of the funds appropriated under this heading, not less than 33 percent shall be made available for assistance for the Southern Caucasus region: *Provided,* That of the funds made available for the Southern Caucasus region, 40 percent should be used for reconstruction and other activities relating to the peaceful resolution of conflicts within the region, especially those in the vicinity of Abkhazia and Nagorno-Karabakh: *Provided further,* That funds made available to parties participating in the Minsk Process under the first proviso of this subsection shall be provided only to those parties which agree to participate in direct or proximity negotiations without preconditions to resolve conflicts in the region: *Provided further,* That if the Secretary of State after May 30, 1999, determines and reports to the relevant committees of Congress that the full amount of funds that may be made available under the first proviso cannot be effectively utilized, the amount provided under the previous proviso may be used for other purposes under this heading.

(f) Funds provided under the previous subsection shall be made available for humanitarian assistance for refugees, displaced persons, and needy civilians affected by the conflicts in the Southern Caucasus region, including those in Abkhazia and Nagorno-Karabakh, notwithstanding any other provision of this or any other Act.

(g) Section 907 of the FREEDOM Support Act shall not apply to—

(1) activities to support democracy or assistance under title V of the FREEDOM Support Act and section 1424 of Public Law 104–201;

(2) any assistance provided by the Trade and Development Agency under section 661 of the Foreign Assistance Act of 1961 (22 U.S.C. 2421); and

(3) any activity carried out by a member of the United States and Foreign Commercial Service while acting within his or her official capacity.

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

INDEPENDENT AGENCIES

INTER-AMERICAN FOUNDATION

For expenses necessary to carry out the functions of the Inter-American Foundation in accordance with the provisions of section 401 of the Foreign Assistance Act of 1969, and to make commitments without regard to fiscal year limitations, as provided by 31 U.S.C. 9104(b)(3), $20,680,000.

AFRICAN DEVELOPMENT FOUNDATION

For expenses necessary to carry out title V of the International Security and Development Cooperation Act of 1980, Public Law 96–533, and to make commitments without regard to fiscal year limitations (31 U.S.C. 9104(b)(3)), $13,160,000: *Provided,* That funds made available to grantees may be invested pending expenditure for project purposes when authorized by the President of the Foundation: *Provided further,* That interest earned shall be used only for the purposes for which the grant was made: *Provided further,* That this authority applies to interest earned both prior to and following enactment of this provision: *Provided further,* That notwithstanding section 505(a)(2) of the African Development Foundation Act, in exceptional circumstances the board of directors of the Foundation may waive the $250,000 limitation contained in that section with respect to a project: *Provided further,* That the Foundation shall provide a report to the Committees on Appropriations after each time such waiver authority is exercised.

PEACE CORPS

For expenses necessary to carry out the provisions of the Peace Corps Act (75 Stat. 612), $230,000,000, including the purchase of not to exceed five passenger motor vehicles for administrative purposes for use outside of the United States: *Provided,* That none of the funds appropriated under this heading shall be used to pay for abortions: *Provided further,* That funds appropriated under this heading shall remain available until September 30, 2000.

DEPARTMENT OF STATE

INTERNATIONAL NARCOTICS CONTROL

For necessary expenses to carry out section 481 of the Foreign Assistance Act of 1961, $275,000,000: *Provided*, That during fiscal year 1999, the Department of State may also use the authority of section 608 of the Act, without regard to its restrictions, to receive excess property from an agency of the United States Government for the purpose of providing it to a foreign country under chapter 8 of part I of that Act subject to the regular notification procedures of the Committees on Appropriations.

MIGRATION AND REFUGEE ASSISTANCE

For expenses, not otherwise provided for, necessary to enable the Secretary of State to provide, as authorized by law, a contribution to the International Committee of the Red Cross, assistance to refugees, including contributions to the International Organization for Migration and the United Nations High Commissioner for Refugees, and other activities to meet refugee and migration needs; salaries and expenses of personnel and dependents as authorized by the Foreign Service Act of 1980; allowances as authorized by sections 5921 through 5925 of title 5, United States Code; purchase and hire of passenger motor vehicles; and services as authorized by section 3109 of title 5, United States Code, $640,000,000: *Provided*, That not more than $12,000,000 shall be available for administrative expenses.

UNITED STATES EMERGENCY REFUGEE AND MIGRATION ASSISTANCE FUND

For necessary expenses to carry out the provisions of section 2(c) of the Migration and Refugee Assistance Act of 1962, as amended (22 U.S.C. 260(c)), $30,000,000, to remain available until expended: *Provided*, That the funds made available under this heading are appropriated notwithstanding the provisions contained in section 2(c)(2) of the Migration and Refugee Assistance Act of 1962 which would limit the amount of funds which could be appropriated for this purpose.

NONPROLIFERATION, ANTI-TERRORISM, DEMINING AND RELATED PROGRAMS

For necessary expenses for nonproliferation, anti-terrorism and related programs and activities, $152,000,000, to carry out the provisions of chapter 8 of part II of the Foreign Assistance Act of 1961 for anti-terrorism assistance, section 504 of the FREEDOM Support Act for the Nonproliferation and Disarmament Fund, section 23 of the Arms Export Control Act or the Foreign Assistance Act of 1961 for demining, the clearance of unexploded ordnance, and related activities, notwithstanding any other provision of law, including activities implemented through nongovernmental and international organizations, section 301 of the Foreign Assistance Act of 1961 for a voluntary contribution to the International Atomic Energy Agency (IAEA), and for a United States contribution to the Comprehensive Nuclear Test Ban Treaty Preparatory Commission: *Provided*, That of this amount not to exceed $15,000,000, to remain available until expended, may be made available for the Nonproliferation and Disarmament Fund, notwithstanding any other provision of law, to promote bilateral and multilateral activities relating to nonproliferation and disarmament: *Provided further*, That such funds may also be used for such countries other than the new independent states of the former Soviet Union and international organizations when it is in the national security interest of the United States to do so: *Provided further*, That such funds shall be subject to the regular notification procedures of the Committees on Appropriations: *Provided further*, That funds appropriated under this heading may be made available for the International Atomic Energy Agency only if the Secretary of State determines (and so reports to the Congress) that Israel is not being denied its right to participate in the activities of that Agency: *Provided further*, That the Secretary of State shall submit to the appropriate congressional committees an annual report (to be submitted with the annual presentation for appropriations) providing a full and detailed accounting of the fiscal year request for the United States contribution to KEDO, the expected operating budget of KEDO, to include unpaid debt, proposed annual costs associated with heavy fuel oil purchases, and the amount of funds pledged by other donor nations and organizations to support KEDO activities on a per country basis, and other related activities.

DEPARTMENT OF THE TREASURY

DEBT RESTRUCTURING

For the cost, as defined in section 502 of the Congressional Budget Act of 1974, of modifying direct loans and loan guarantees, as the President may determine, for which funds have been appropriated or otherwise made available for programs within the International Affairs Budget Function 150, including the cost of selling, reducing, or canceling amounts, through debt buybacks and swaps, owed to the United States as a result of concessional loans made to eligible Latin American and Caribbean countries, pursuant to part IV of the Foreign Assistance Act of 1961; of modifying concessional credit agreements with least developed countries, as authorized under section 411 of the Agricultural Trade Development and Assistance Act of 1954, as amended, and concessional loans, guarantees and credit agreements with any country in sub-Saharan Africa, as authorized under section 572 of the Foreign Operations, Export Financing, and Related Programs Appropriations Act, 1989 (Public Law 100–461); and of modifying any obligation, or portion of such obligation for Latin American countries to pay for purchases of United States agricultural commodities guaranteed by the Commodity Credit Corporation under export credit guarantee programs authorized pursuant to section 5(f) of the Commodity Credit Corporation Charter Act of June 29, 1948, as amended, section 4(b) of the Food for Peace Act of 1966, as amended (Public Law 89–808), or section 202 of the Agricultural Trade Act of 1978, as amended (Public Law 95–501); $36,000,000, to remain available until expended: *Provided*, That not to exceed $2,900,000 of such funds may be used for implementation of improvements in the foreign credit reporting system of the United States Government: *Provided further*, That the authority provided by section 572 of Public Law 100–461 may be exercised only with respect to countries that are eligible to borrow from the International Development Association, but not from the International Bank for Reconstruction and Development, commonly referred to as ''IDA-only'' countries.

TITLE III—MILITARY ASSISTANCE

FUNDS APPROPRIATED TO THE PRESIDENT

INTERNATIONAL MILITARY EDUCATION AND TRAINING

For necessary expenses to carry out the provisions of section 541 of the Foreign Assistance Act of 1961, $50,000,000 of which up to $1,000,000 may remain available until expended: *Provided*, That the civilian personnel for whom military education and training may be provided under this heading may include civilians who are not members of a government whose participation would contribute to improved civil-military relations, civilian control of the military, or respect for human rights: *Provided further*, That funds appropriated under this heading for grant financed military education and training for Indonesia and Guatemala may only be available for expanded international military education and training and funds made available for Guatemala may only be provided through the regular notification procedures of the Committees on Appropriations: *Provided further*, That none of the funds appropriated under this heading may be made available to support grant financed military education and training at the School of the Americas unless the Secretary of Defense certifies that the instruction and training provided by the School of the Americas is fully consistent with training and doctrine, particularly with respect to the observance of human rights, provided by the Department of Defense to United States military students at Department of Defense institutions whose primary purpose is to train United States military personnel: *Provided further*, That the Secretary of Defense shall submit to the Committees on Appropriations, no later than January 15, 1999, a report detailing the training activities of the School of the Americas and a general assessment regarding the performance of its graduates during 1997.

FOREIGN MILITARY FINANCING PROGRAM

For expenses necessary for grants to enable the President to carry out the provisions of section 23 of the Arms Export Control Act, $3,335,910,000: *Provided*, That of the funds appropriated under this heading, not to exceed $1,860,000,000 shall be available for grants only for Israel, and not to exceed $1,300,000,000 shall be made available for grants only for Egypt: *Provided further*, That the funds appropriated by this paragraph for Israel shall be disbursed within 30 days of enactment of this Act or by October 31, 1998, whichever is later: *Provided further*, That to the extent that the Government of Israel requests that funds be used for such purposes, grants made available for Israel by this paragraph shall, as agreed by Israel and the United States, be available for advanced weapons systems, of which not less than $490,000,000 shall be available for the procurement in Israel of defense articles and defense services, including research and development: *Provided further*, That during fiscal year 1999 the President is authorized to, and shall, direct drawdowns of defense articles from the stocks of the Department of Defense, defense services of the Department of Defense, and military education and training of an aggregate value of not less than $25,000,000 under the authority of this proviso for Jordan for the purposes of part II of the Foreign Assistance Act of 1961: *Provided further*, That section 506(c) of the Foreign Assistance Act of 1961 shall apply, and section 632(d) of the Foreign Assistance Act of 1961 shall not apply, to any such drawdown: *Provided further*, That none of the funds made available under this heading shall be available for any non-NATO country participating in the Partnership for Peace Program except through the regular notification procedures of the Committees on Appropriations: *Provided further*, That funds appropriated by this paragraph shall be nonrepayable notwithstanding any requirement in section 23 of the Arms Export Control Act: *Provided further*, That funds made available under this heading shall be obligated upon apportionment in accordance with paragraph (5)(C) of title 31, United States Code, section 1501(a).

For the cost, as defined in section 502 of the Congressional Budget Act of 1974, of direct loans authorized by section 23 of the Arms Export Control Act as follows: cost of direct loans, $20,000,000: *Provided*, That these funds are available to subsidize gross obligations for the principal amount of direct loans of not to exceed $167,000,000.

None of the funds made available under this heading shall be available to finance the procurement of defense articles, defense services, or design and construction services that are not sold by the United States Government under the Arms Export Control Act unless the foreign country proposing to make such procurements has first signed an agreement with the United States Government specifying the conditions under which such procurements may be financed with such funds: *Provided*, That all country and funding level increases in allocations shall be submitted through the regular notification procedures of section 515 of this Act: *Provided further*, That none of the funds appropriated under this heading shall be available for Sudan and Liberia: *Provided further*, That funds made available under this heading may be used, notwithstanding any other provision of law, for demining, the clearance of unexploded ordnance, and related activities and may include activities implemented through nongovernmental and international organizations: *Provided further*, That only those countries for which assistance was justified for the ''Foreign Military Sales Financing Program'' in the fiscal year 1989 congressional presentation for security assistance programs may utilize funds made available under this heading for procurement of defense articles, defense services or design and construction services that are not sold by the United States Government under the Arms Export Control Act: *Provided further*, That, subject to the regular notification procedures of the Committees on Appropriations, funds made available under this heading for the cost of direct loans may also be used to supplement the funds available under this heading for grants, and funds made available under this heading for grants may also be used to supplement the funds available under this heading for the cost of direct loans: *Provided further*, That funds appropriated under this heading shall be expended at the minimum rate necessary to make timely payment for defense articles and services: *Provided further*, That not more than $29,910,000 of the funds appropriated under this heading may be obligated for necessary expenses, including the purchase of passenger motor vehicles for replacement only for use outside of the United States, for the general costs of administering military assistance and sales: *Provided further*, That none of the funds under this heading shall be available for Guatemala: *Provided further*, That not more than $340,000,000 of funds realized pursuant to section 21(e)(1)(A) of the Arms Export Control Act may be obligated for expenses incurred by the Department of Defense during fiscal year 1999 pursuant to section 43(b) of the Arms Export Control Act, except that this limitation may be exceeded only through the regular notification procedures of the Committees on Appropriations.

PEACEKEEPING OPERATIONS

For necessary expenses to carry out the provisions of section 551 of the Foreign Assistance Act of 1961, $62,250,000: *Provided*, That none of the funds appropriated under this heading shall be obligated or expended except as provided through the regular notification procedures of the Committees on Appropriations.

TITLE IV—MULTILATERAL ECONOMIC ASSISTANCE

FUNDS APPROPRIATED TO THE PRESIDENT

INTERNATIONAL FINANCIAL INSTITUTIONS

CONTRIBUTION TO THE INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

For payment to the International Bank for Reconstruction and Development by the Secretary of the Treasury, for the United States contribution to the Global Environment Facility (GEF), $42,500,000, to remain available until September 30, 2000, which shall be available for contributions previously due.

CONTRIBUTION TO THE INTERNATIONAL DEVELOPMENT ASSOCIATION

For payment to the International Development Association by the Secretary of the Treasury, $800,000,000, to remain available until expended.

CONTRIBUTION TO THE INTER-AMERICAN DEVELOPMENT BANK

For payment to the Inter-American Development Bank by the Secretary of the Treasury, for the United States share of the paid-in share portion of the increase in capital stock, $25,610,667, and for the United States share of the increase in the resources of the Fund for Special Operations, $21,152,000, to remain available until expended, which shall be available for contributions previously due.

LIMITATION ON CALLABLE CAPITAL SUBSCRIPTIONS

The United States Governor of the Inter-American Development Bank may subscribe without fiscal year limitation to the callable capital portion of the United States share of such capital stock in an amount not to exceed $1,503,718,910.

CONTRIBUTION TO THE ENTERPRISE FOR THE AMERICAS MULTILATERAL INVESTMENT FUND

For payment to the Enterprise for the Americas Multilateral Investment Fund by the Secretary of the Treasury, for the United States contribution to the Fund to be administered by the Inter-American Development Bank, $50,000,000 to remain available until expended, which shall be available for contributions previously due.

CONTRIBUTION TO THE ASIAN DEVELOPMENT BANK

For payment to the Asian Development Bank by the Secretary of the Treasury for the United States share of the paid-in portion of the increase in capital stock, $13,221,596, to remain available until expended.

LIMITATION ON CALLABLE CAPITAL SUBSCRIPTIONS

The United States Governor of the Asian Development Bank may subscribe without fiscal year limitation to the callable capital portion of the United States share of such capital stock in an amount not to exceed $647,858,204.

CONTRIBUTION TO THE ASIAN DEVELOPMENT FUND

For the United States contribution by the Secretary of the Treasury to the increases in resources of the Asian Development Fund, as authorized by the Asian Development Bank Act, as amended (Public Law 89–369), $210,000,000, to remain available until expended, of which $150,000,000 shall be available for contributions previously due.

CONTRIBUTION TO THE AFRICAN DEVELOPMENT FUND

For the United States contribution by the Secretary of the Treasury to the increase in resources of the African Development Fund, $128,000,000, to remain available until expended, of which $88,300,000 shall be available for contributions previously due.

CONTRIBUTION TO THE EUROPEAN BANK FOR RECONSTRUCTION AND DEVELOPMENT

For payment to the European Bank for Reconstruction and Development by the Secretary of the Treasury, $35,778,717, for the United States share of the paid-in portion of the increase in capital stock, to remain available until expended.

LIMITATION ON CALLABLE CAPITAL SUBSCRIPTIONS

The United States Governor of the European Bank for Reconstruction and Development may subscribe without fiscal year limitation to the callable capital portion of the United States share of such capital stock in an amount not to exceed $123,237,803.

INTERNATIONAL ORGANIZATIONS AND PROGRAMS

For necessary expenses to carry out the provisions of section 301 of the Foreign Assistance Act of 1961, and of section 2 of the United Nations Environment Program Participation Act of 1973, $157,250,000: *Provided*, That none of the funds appropriated under this heading may be made available for the United Nations Fund for Science and Technology: *Provided further*, That none of the funds appropriated under this heading may be made available for the United Nations Population Fund (UNFPA): *Provided further*, That none of the funds appropriated under this heading may be made available for the Korean Peninsula Energy Development Organization (KEDO) or the International Atomic Energy Agency (IAEA).

TITLE V—GENERAL PROVISIONS

OBLIGATIONS DURING LAST MONTH OF AVAILABILITY

SEC. 501. Except for the appropriations entitled ''International Disaster Assistance'', and ''United States Emergency Refugee and Migration Assistance Fund'', not more than 15 percent of any appropriation item made available by this Act shall be obligated during the last month of availability.

PROHIBITION OF BILATERAL FUNDING FOR INTERNATIONAL FINANCIAL INSTITUTIONS

SEC. 502. Notwithstanding section 614 of the Foreign Assistance Act of 1961, as amended, none of the funds contained in title II of this Act may be used to carry out the provisions of section 209(d) of the Foreign Assistance Act of 1961.

LIMITATION ON RESIDENCE EXPENSES

SEC. 503. Of the funds appropriated or made available pursuant to this Act, not to exceed $126,500 shall be for official residence expenses of the Agency for International Development during the current fiscal year: *Provided*, That appropriate steps shall be taken to assure that, to the maximum extent possible, United States-owned foreign currencies are utilized in lieu of dollars.

LIMITATION ON EXPENSES

SEC. 504. Of the funds appropriated or made available pursuant to this Act, not to exceed $5,000 shall be for entertainment expenses of the Agency for International Development during the current fiscal year.

LIMITATION ON REPRESENTATIONAL ALLOWANCES

SEC. 505. Of the funds appropriated or made available pursuant to this Act, not to exceed $95,000 shall be available for representation allowances for the Agency for International Development during the current fiscal year: *Provided*, That appropriate steps shall be taken to assure that, to the maximum extent possible, United States-owned foreign currencies are utilized in lieu of dollars: *Provided further*, That of the funds made available by this Act for general costs of administering military assistance and sales under the heading ''Foreign Military Financing Program'', not to exceed $2,000 shall be available for entertainment expenses and not to exceed $50,000 shall be available for representation allowances: *Provided further*, That of the funds made available by this Act under the heading ''International Military Education and Training'', not to exceed $50,000 shall be available for entertainment allowances: *Provided further*, That of the funds made available by this Act for the Inter-American Foundation, not to exceed $2,000 shall be available for entertainment and representation allowances: *Provided further*,

That of the funds made available by this Act for the Peace Corps, not to exceed a total of $4,000 shall be available for entertainment expenses: *Provided further*, That of the funds made available by this Act under the heading ''Trade and Development Agency'', not to exceed $2,000 shall be available for representation and entertainment allowances.

PROHIBITION ON FINANCING NUCLEAR GOODS

SEC. 506. None of the funds appropriated or made available (other than funds for ''Nonproliferation, Anti-terrorism, Demining and Related Programs'') pursuant to this Act, for carrying out the Foreign Assistance Act of 1961, may be used, except for purposes of nuclear safety, to finance the export of nuclear equipment, fuel, or technology.

PROHIBITION AGAINST DIRECT FUNDING FOR CERTAIN COUNTRIES

SEC. 507. None of the funds appropriated or otherwise made available pursuant to this Act shall be obligated or expended to finance directly any assistance or reparations to Cuba, Iraq, Libya, North Korea, Iran, Sudan, or Syria: *Provided*, That for purposes of this section, the prohibition on obligations or expenditures shall include direct loans, credits, insurance and guarantees of the Export-Import Bank or its agents.

MILITARY COUPS

SEC. 508. None of the funds appropriated or otherwise made available pursuant to this Act shall be obligated or expended to finance directly any assistance to any country whose duly elected head of government is deposed by military coup or decree: *Provided*, That assistance may be resumed to such country if the President determines and reports to the Committees on Appropriations that subsequent to the termination of assistance a democratically elected government has taken office.

TRANSFERS BETWEEN ACCOUNTS

SEC. 509. None of the funds made available by this Act may be obligated under an appropriation account to which they were not appropriated, except for transfers specifically provided for in this Act, unless the President, prior to the exercise of any authority contained in the Foreign Assistance Act of 1961 to transfer funds, consults with and provides a written policy justification to the Committees on Appropriations of the House of Representatives and the Senate: *Provided*, That the exercise of such authority shall be subject to the regular notification procedures of the Committees on Appropriations.

DEOBLIGATION/REOBLIGATION AUTHORITY

SEC. 510. (a) Amounts certified pursuant to section 1311 of the Supplemental Appropriations Act, 1955, as having been obligated against appropriations heretofore made under the authority of the Foreign Assistance Act of 1961 for the same general purpose as any of the headings under title II of this Act are, if deobligated, hereby continued available for the same period as the respective appropriations under such headings or until September 30, 1999, whichever is later, and for the same general purpose, and for countries within the same region as originally obligated: *Provided*, That the Appropriations Committees of both Houses of the Congress are notified 15 days in advance of the reobligation of such funds in accordance with regular notification procedures of the Committees on Appropriations.

(b) Obligated balances of funds appropriated to carry out section 23 of the Arms Export Control Act as of the end of the fiscal year immediately preceding the current fiscal year are, if deobligated, hereby continued available during the current fiscal year for the same purpose under any authority applicable to such appropriations under this Act: *Provided*, That the authority of this subsection may not be used in fiscal year 1999.

AVAILABILITY OF FUNDS

SEC. 511. No part of any appropriation contained in this Act shall remain available for obligation after the expiration of the current fiscal year unless expressly so provided in this Act: *Provided*, That funds appropriated for the purposes of chapters 1, 8, and 11 of part I, section 667, and chapter 4 of part II of the Foreign Assistance Act of 1961, as amended, and funds provided under the heading ''Assistance for Eastern Europe and the Baltic States'', shall remain available until expended if such funds are initially obligated before the expiration of their respective periods of availability contained in this Act: *Provided further*, That, notwithstanding any other provision of this Act, any funds made available for the purposes of chapter 1 of part I and chapter 4 of part II of the Foreign Assistance Act of 1961 which are allocated or obligated for cash disbursements in order to address balance of payments or economic policy reform objectives, shall remain available until expended: *Provided further*, That the report required by section 653(a) of the Foreign Assistance Act of 1961 shall designate for each country, to the extent known at the time of submission of such report, those funds allocated for cash disbursement for balance of payment and economic policy reform purposes.

LIMITATION ON ASSISTANCE TO COUNTRIES IN DEFAULT

SEC. 512. No part of any appropriation contained in this Act shall be used to furnish assistance to any country which is in default during a period in excess of one calendar year in payment to the United States of principal or interest on any loan made to such country by the United States pursuant to a program for which funds are appropriated under this Act: *Provided*, That this section and section 620(q) of the Foreign Assistance Act of 1961 shall not apply to funds made available in this Act or during the current fiscal year for Nicaragua, Brazil, the Democratic Republic of Congo, and Liberia, and for any narcotics-related assistance for Colombia, Bolivia, and Peru authorized by the Foreign Assistance Act of 1961 or the Arms Export Control Act.

COMMERCE AND TRADE

SEC. 513. (a) None of the funds appropriated or made available pursuant to this Act for direct assistance and none of the funds otherwise made available pursuant to this Act to the Export-Import Bank and the Overseas Private Investment Corporation shall be obligated or expended to finance any loan, any assistance or any other financial commitments for establishing or expanding production of any commodity for export by any country other than the United States, if the commodity is likely to be in surplus on world markets at the time the resulting productive capacity is expected to become operative and if the assistance will cause substantial injury to United States producers of the same, similar, or competing commodity: *Provided*, That such prohibition shall not apply to the Export-Import Bank if in the judgment of its Board of Directors the benefits to industry and employment in the United States are likely to outweigh the injury to United States producers of the same, similar, or competing commodity, and the Chairman of the Board so notifies the Committees on Appropriations.

(b) None of the funds appropriated by this or any other Act to carry out chapter 1 of part I of the Foreign Assistance Act of 1961 shall be available for any testing or breeding feasibility study, variety improvement or introduction, consultancy, publication, conference, or training in connection with the growth or production in a foreign country of an agricultural commodity for export which would compete with a similar commodity grown or produced in the United States: *Provided*, That this subsection shall not prohibit—

(1) activities designed to increase food security in developing countries where such activities will not have a significant impact in the export of agricultural commodities of the United States; or

(2) research activities intended primarily to benefit American producers.

SURPLUS COMMODITIES

SEC. 514. The Secretary of the Treasury shall instruct the United States Executive Directors of the International Bank for Reconstruction and Development, the International Development Association, the International Finance Corporation, the Inter-American Development Bank, the International Monetary Fund, the Asian Development Bank, the Inter-American Investment Corporation, the North American Development Bank, the European Bank for Reconstruction and Development, the African Development Bank, and the African Development Fund to use the voice and vote of the United States to oppose any assistance by these institutions, using funds appropriated or made available pursuant to this Act, for the production or extraction of any commodity or mineral for export, if it is in surplus on world markets and if the assistance will cause substantial injury to United States producers of the same, similar, or competing commodity.

NOTIFICATION REQUIREMENTS

SEC. 515. (a) For the purposes of providing the executive branch with the necessary administrative flexibility, none of the funds made available under this Act for ''Child Survival and Disease Programs Fund'', ''Development assistance'', ''International Organizations and Programs'', ''Trade and Development Agency'', ''International narcotics control'', ''Assistance for Eastern Europe and the Baltic States'', ''Assistance for the New Independent States of the Former Soviet Union'', ''Economic Support Fund'', ''Peacekeeping operations'', ''Operating expenses of the Agency for International Development'', ''Operating expenses of the Agency for International Development Office of Inspector General'', ''Nonproliferation, anti-terrorism, demining and related programs'', ''Foreign Military Financing Program'', ''International military education and training'', ''Peace Corps'', ''Migration and refugee assistance'', shall be available for obligation for activities, programs, projects, type of materiel assistance, countries, or other operations not justified or in excess of the amount justified to the Appropriations Committees for obligation under any of these specific headings unless the Appropriations Committees of both Houses of Congress are previously notified 15 days in advance: *Provided*, That the President shall not enter into any commitment of funds appropriated for the purposes of section 23 of the Arms Export Control Act for the provision of major defense equipment, other than conventional ammunition, or other major defense items defined to be aircraft, ships, missiles, or combat vehicles, not previously justified to Congress or 20 percent in excess of the quantities justified to Congress unless the Committees on Appropriations are notified 15 days in advance of such commitment: *Provided further*, That this section shall not apply to any reprogramming for an activity, program, or project under chapter 1 of part I of the Foreign Assistance Act of 1961 of less than 10 percent of the amount previously justified to the Congress for obligation for

such activity, program, or project for the current fiscal year: *Provided further,* That the requirements of this section or any similar provision of this Act or any other Act, including any prior Act requiring notification in accordance with the regular notification procedures of the Committees on Appropriations, may be waived if failure to do so would pose a substantial risk to human health or welfare: *Provided further,* That in case of any such waiver, notification to the Congress, or the appropriate congressional committees, shall be provided as early as practicable, but in no event later than three days after taking the action to which such notification requirement was applicable, in the context of the circumstances necessitating such waiver: *Provided further,* That any notification provided pursuant to such a waiver shall contain an explanation of the emergency circumstances.

(b) Drawdowns made pursuant to section 506(a)(2) of the Foreign Assistance Act of 1961 shall be subject to the regular notification procedures of the Committees on Appropriations.

LIMITATION ON AVAILABILITY OF FUNDS FOR INTERNATIONAL ORGANIZATIONS AND PROGRAMS

SEC. 516. Notwithstanding any other provision of law or of this Act, none of the funds provided for ''International Organizations and Programs'' shall be available for the United States proportionate share, in accordance with section 307(c) of the Foreign Assistance Act of 1961, for any programs identified in section 307, or for Libya, Iran, or, at the discretion of the President, Communist countries listed in section 620(f) of the Foreign Assistance Act of 1961, as amended: *Provided,* That, subject to the regular notification procedures of the Committees on Appropriations, funds appropriated under this Act or any previously enacted Act making appropriations for foreign operations, export financing, and related programs, which are returned or not made available for organizations and programs because of the implementation of this section or any similar provision of law, shall remain available for obligation through September 30, 2000.

NEW INDEPENDENT STATES OF THE FORMER SOVIET UNION

SEC. 517. (a) ECONOMIC REFORMS.—None of the funds appropriated under the heading ''Assistance for the New Independent States of the Former Soviet Union'' shall be made available for assistance for the Government of Russia—

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

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

Assistance may be furnished without regard to this subsection if the President determines that to do so is in the national interest.

(b) None of the funds appropriated under the heading ''Assistance for the New Independent States of the Former Soviet Union'' shall be made available to any government of the new independent states of the former Soviet Union if that government directs any action in violation of the territorial integrity or national sovereignty of any other new independent state, such as those violations included in the Helsinki Final Act: *Provided,* That such funds may be made available without regard to the restriction in this subsection if the President determines that to do so is in the national security interest of the United States: *Provided further,* That the restriction of this subsection shall not apply to the use of such funds for the provision of assistance for purposes of humanitarian and refugee relief.

(c) None of the funds appropriated under the heading ''Assistance for the New Independent States of the Former Soviet Union'' shall be made available for any state to enhance its military capability: *Provided,* That this restriction shall not apply to demilitarization, demining, or nonproliferation programs.

(d) Funds appropriated under the heading ''Assistance for the New Independent States of the Former Soviet Union'' shall be subject to the regular notification procedures of the Committees on Appropriations.

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

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

PROHIBITION ON FUNDING FOR ABORTIONS AND INVOLUNTARY STERILIZATION

SEC. 518. None of the funds made available to carry out part I of the Foreign Assistance Act of 1961, as amended, may be used to pay for the performance of abortions as a method of family planning or to motivate or coerce any person to practice abortions. None of the funds made available to carry out part I of the Foreign Assistance Act of 1961, as amended, may be used to pay for the performance of involuntary sterilization as a method of family planning or to coerce or provide any financial incentive to any person to undergo sterilizations. None of the funds made available to carry out part I of the Foreign Assistance Act of 1961, as amended, may be used to pay for any biomedical research which relates in whole or in part, to methods of, or the performance of, abortions or involuntary sterilization as a means of family planning. None of the funds made available to carry out part I of the Foreign Assistance Act of 1961, as amended, may be obligated or expended for any country or organization if the President certifies that the use of these funds by any such country or organization would violate any of the above provisions related to abortions and involuntary sterilizations: *Provided,* That none of the funds made available under this Act may be used to lobby for or against abortion.

FOREIGN ORGANIZATIONS THAT PERFORM OR PROMOTE ABORTION OVERSEAS; FORCED ABORTION IN THE PEOPLE'S REPUBLIC OF CHINA

SEC. 518A. (a) Section 104 of the Foreign Assistance Act of 1961 is amended by adding at the end the following new subsection:

''(h) RESTRICTIONS ON ASSISTANCE TO FOREIGN ORGANIZATIONS THAT PERFORM OR ACTIVELY PROMOTE ABORTIONS.—

''(1) PERFORMANCE OF ABORTIONS.—

''(A) Notwithstanding section 614 of this Act or any other provision of law, no funds appropriated for population planning activities or other population assistance may be made available for any foreign private, nongovernmental, or multilateral organization until the organization certifies that it will not, during the period for which the funds are made available, perform abortions in any foreign country, except where the life of the mother would be endangered if the pregnancy were carried to term or in cases of forcible rape or incest.

''(B) Subparagraph (A) may not be construed to apply to the treatment of injuries or illnesses caused by legal or illegal abortions or to assistance provided directly to the government of a country.

''(2) LOBBYING ACTIVITIES.—

''(A) Notwithstanding section 614 of this Act or any other provision of law, no funds appropriated for population planning activities or other population assistance may be made available for any foreign private, nongovernmental, or multilateral organization until the organization certifies that it will not, during the period for which the funds are made available, violate the laws of any foreign country concerning the circumstances under which abortion is permitted, regulated, or prohibited, or engage in any activity or effort to alter the laws or governmental policies of any foreign country concerning the circumstances under which abortion is permitted, regulated, or prohibited.

''(B) Subparagraph (A) shall not apply to activities in opposition to coercive abortion or involuntary sterilization.

''(3) APPLICATION TO FOREIGN ORGANIZATIONS.—The prohibitions of this subsection apply to funds made available to a foreign organization either directly or as a subcontractor or subgrantee, and the certifications required by paragraphs (1) and (2) apply to activities in which the organization engages either directly or through a subcontractor or subgrantee.

''(4) DEFINITION.—As used in this section, the term 'activity or effort to alter the laws or governmental policies of any foreign country concerning the circumstances under which abortion is permitted, regulated, or prohibited' includes not only overt lobbying for such changes, but also such other activities as sponsoring, rather than merely attending, conferences and workshops on the alleged defects in the abortion laws, as well the drafting and distribution of materials or public statements calling attention to such alleged defects.''.

(b) Section 301 of the Foreign Assistance Act of 1961 is amended by adding at the end the following new subsection:

''(i) LIMITATION RELATING TO FORCED ABORTIONS IN THE PEOPLE'S REPUBLIC OF CHINA.—Notwithstanding section 614 of this Act or any other provision of law, no funds may be made available for the United Nations Population Fund (UNFPA) in any fiscal year unless the President certifies that—

''(1) UNFPA has terminated all activities in the People's Republic of China, and the United States has received assurances that UNFPA will conduct no such activities during the fiscal year for which the funds are to be made available; or

''(2) during the 12 months preceding such certification there have been no abortions as the result of coercion associated with the family planning policies of the national government or other governmental entities within the People's Republic of China. As used in this section, the term 'coercion' includes physical duress or abuse, destruction or confiscation of property, loss of means of livelihood, or severe psychological pressure.''.

(c) The President may waive the provisions of section 104(h)(1) of the Foreign Assistance

Act of 1961, as amended, pertaining to population assistance to foreign organizations that perform abortions in foreign countries, for any fiscal year: *Provided*, That if the President exercises the waiver provided by this subsection for any fiscal year, not to exceed $356,000,000 may be made available for population planning activities or other population assistance for such fiscal year: *Provided further*, That the limitation in the previous proviso includes all funds for programs and activities designed to control fertility or to reduce or delay childbirths or pregnancies, irrespective of the heading under which such funds are made available.

EXCESS DEFENSE ARTICLES FOR CENTRAL EUROPEAN COUNTRIES

SEC. 519. Section 105 of Public Law 104–164 (110 Stat 1427) is amended by striking ''1996 and 1997'' and inserting ''1999 and 2000''.

SPECIAL NOTIFICATION REQUIREMENTS

SEC. 520. None of the funds appropriated by this Act shall be obligated or expended for Colombia, Honduras, Haiti, Liberia, Pakistan, Panama, Peru, Serbia, Sudan, or the Democratic Republic of Congo except as provided through the regular notification procedures of the Committees on Appropriations.

DEFINITION OF PROGRAM, PROJECT, AND ACTIVITY

SEC. 521. For the purpose of this Act, ''program, project, and activity'' shall be defined at the appropriations Act account level and shall include all appropriations and authorizations Acts earmarks, ceilings, and limitations with the exception that for the following accounts: Economic Support Fund and Foreign Military Financing Program, ''program, project, and activity'' shall also be considered to include country, regional, and central program level funding within each such account; for the development assistance accounts of the Agency for International Development ''program, project, and activity'' shall also be considered to include central program level funding, either as: (1) justified to the Congress; or (2) allocated by the executive branch in accordance with a report, to be provided to the Committees on Appropriations within 30 days of enactment of this Act, as required by section 653(a) of the Foreign Assistance Act of 1961.

CHILD SURVIVAL, AIDS, AND OTHER ACTIVITIES

SEC. 522. Up to $10,000,000 of the funds made available by this Act for assistance for family planning, health, child survival, basic education, and AIDS, may be used to reimburse United States Government agencies, agencies of State governments, institutions of higher learning, and private and voluntary organizations for the full cost of individuals (including for the personal services of such individuals) detailed or assigned to, or contracted by, as the case may be, the Agency for International Development for the purpose of carrying out family planning activities, child survival, and basic education activities, and activities relating to research on, and the treatment and control of acquired immune deficiency syndrome in developing countries: *Provided*, That funds appropriated by this Act that are made available for child survival and disease programs activities may be made available notwithstanding any provision of law that restricts assistance to foreign countries: *Provided further*, That funds appropriated under title II of this Act may be made available pursuant to section 301 of the Foreign Assistance Act of 1961 if a primary purpose of the assistance is for child survival and related programs: *Provided further*, That funds appropriated by this Act that are made available for family planning activities may be made available notwithstanding section 512 of this Act and section 620(q) of the Foreign Assistance Act of 1961.

PROHIBITION AGAINST INDIRECT FUNDING TO CERTAIN COUNTRIES

SEC. 523. None of the funds appropriated or otherwise made available pursuant to this Act shall be obligated to finance indirectly any assistance or reparations to Cuba, Iraq, Libya, Iran, Syria, North Korea, or the People's Republic of China, unless the President of the United States certifies that the withholding of these funds is contrary to the national interest of the United States.

RECIPROCAL LEASING

SEC. 524. Section 61(a) of the Arms Export Control Act is amended by striking out ''1998'' and inserting in lieu thereof ''1999''.

NOTIFICATION ON EXCESS DEFENSE EQUIPMENT

SEC. 525. Prior to providing excess Department of Defense articles in accordance with section 516(a) of the Foreign Assistance Act of 1961, the Department of Defense shall notify the Committees on Appropriations to the same extent and under the same conditions as are other committees pursuant to subsection (c) of that section: *Provided*, That before issuing a letter of offer to sell excess defense articles under the Arms Export Control Act, the Department of Defense shall notify the Committees on Appropriations in accordance with the regular notification procedures of such Committees: *Provided further*, That such Committees shall also be informed of the original acquisition cost of such defense articles.

AUTHORIZATION REQUIREMENT

SEC. 526. Funds appropriated by this Act may be obligated and expended notwithstanding section 10 of Public Law 91–672 and section 15 of the State Department Basic Authorities Act of 1956.

DEMOCRACY IN CHINA

SEC. 527. Notwithstanding any other provision of law that restricts assistance to foreign countries, funds appropriated by this Act for ''Economic Support Fund'' may be made available to provide general support for nongovernmental organizations located outside the People's Republic of China that have as their primary purpose fostering democracy in that country, and for activities of nongovernmental organizations located outside the People's Republic of China to foster democracy in that country: *Provided*, That none of the funds made available for activities to foster democracy in the People's Republic of China may be made available for assistance to the government of that country.

COMMERCIAL LEASING OF DEFENSE ARTICLES

SEC. 528. Notwithstanding any other provision of law, and subject to the regular notification procedures of the Committees on Appropriations, the authority of section 23(a) of the Arms Export Control Act may be used to provide financing to Israel, Egypt and NATO and major non-NATO allies for the procurement by leasing (including leasing with an option to purchase) of defense articles from United States commercial suppliers, not including Major Defense Equipment (other than helicopters and other types of aircraft having possible civilian application), if the President determines that there are compelling foreign policy or national security reasons for those defense articles being provided by commercial lease rather than by government-to-government sale under such Act.

COMPETITIVE INSURANCE

SEC. 529. All Agency for International Development contracts and solicitations, and subcontracts entered into under such contracts, shall include a clause requiring that United States insurance companies have a fair opportunity to bid for insurance when such insurance is necessary or appropriate.

STINGERS IN THE PERSIAN GULF REGION

SEC. 530. Except as provided in section 581 of the Foreign Operations, Export Financing, and Related Programs Appropriations Act, 1990, the United States may not sell or otherwise make available any Stingers to any country bordering the Persian Gulf under the Arms Export Control Act or chapter 2 of part II of the Foreign Assistance Act of 1961.

DEBT-FOR-DEVELOPMENT

SEC. 531. In order to enhance the continued participation of nongovernmental organizations in economic assistance activities under the Foreign Assistance Act of 1961, including endowments, debt-for-development and debt-for-nature exchanges, a nongovernmental organization which is a grantee or contractor of the Agency for International Development may place in interest bearing accounts funds made available under this Act or prior Acts or local currencies which accrue to that organization as a result of economic assistance provided under title II of this Act and any interest earned on such investment shall be used for the purpose for which the assistance was provided to that organization.

SEPARATE ACCOUNTS

SEC. 532. (a) SEPARATE ACCOUNTS FOR LOCAL CURRENCIES.—(1) If assistance is furnished to the government of a foreign country under chapter 1 and 10 of part I or chapter 4 of part II of the Foreign Assistance Act of 1961 under agreements which result in the generation of local currencies of that country, the Administrator of the Agency for International Development shall—

(A) require that local currencies be deposited in a separate account established by that government;

(B) enter into an agreement with that government which sets forth—

(i) the amount of the local currencies to be generated; and

(ii) the terms and conditions under which the currencies so deposited may be utilized, consistent with this section; and

(C) establish by agreement with that government the responsibilities of the Agency for International Development and that government to monitor and account for deposits into and disbursements from the separate account.

(2) USES OF LOCAL CURRENCIES.—As may be agreed upon with the foreign government, local currencies deposited in a separate account pursuant to subsection (a), or an equivalent amount of local currencies, shall be used only—

(A) to carry out chapter 1 or 10 of part I or chapter 4 of part II (as the case may be), for such purposes as—

(i) project and sector assistance activities; or

(ii) debt and deficit financing; or

(B) for the administrative requirements of the United States Government.

(3) PROGRAMMING ACCOUNTABILITY.—The Agency for International Development shall take all necessary steps to ensure that the equivalent of the local currencies disbursed pursuant to subsection (a)(2)(A) from the separate account established pursuant to subsection (a)(1) are used for the purposes agreed upon pursuant to subsection (a)(2).

(4) TERMINATION OF ASSISTANCE PROGRAMS.—Upon termination of assistance to a country under chapter 1 or 10 of part I or chapter 4 of part II (as the case may be), any unencumbered balances of funds which remain in a separate account established pursuant to subsection (a) shall be disposed of for such purposes as may be agreed to by the government of that country and the United States Government.

(5) CONFORMING AMENDMENTS.—The provisions of this subsection shall supersede the

tenth and eleventh provisos contained under the heading ''Sub-Saharan Africa, Development Assistance'' as included in the Foreign Operations, Export Financing, and Related Programs Appropriations Act, 1989 and sections 531(d) and 609 of the Foreign Assistance Act of 1961.

(6) REPORTING REQUIREMENT.—The Administrator of the Agency for International Development shall report on an annual basis as part of the justification documents submitted to the Committees on Appropriations on the use of local currencies for the administrative requirements of the United States Government as authorized in subsection (a)(2)(B), and such report shall include the amount of local currency (and United States dollar equivalent) used and/or to be used for such purpose in each applicable country.

(b) SEPARATE ACCOUNTS FOR CASH TRANSFERS.—(1) If assistance is made available to the government of a foreign country, under chapter 1 or 10 of part I or chapter 4 of part II of the Foreign Assistance Act of 1961, as cash transfer assistance or as nonproject sector assistance, that country shall be required to maintain such funds in a separate account and not commingle them with any other funds.

(2) APPLICABILITY OF OTHER PROVISIONS OF LAW.—Such funds may be obligated and expended notwithstanding provisions of law which are inconsistent with the nature of this assistance including provisions which are referenced in the Joint Explanatory Statement of the Committee of Conference accompanying House Joint Resolution 648 (H. Report No. 98–1159).

(3) NOTIFICATION.—At least 15 days prior to obligating any such cash transfer or nonproject sector assistance, the President shall submit a notification through the regular notification procedures of the Committees on Appropriations, which shall include a detailed description of how the funds proposed to be made available will be used, with a discussion of the United States interests that will be served by the assistance (including, as appropriate, a description of the economic policy reforms that will be promoted by such assistance).

(4) EXEMPTION.—Nonproject sector assistance funds may be exempt from the requirements of subsection (b)(1) only through the notification procedures of the Committees on Appropriations.

COMPENSATION FOR UNITED STATES EXECUTIVE DIRECTORS TO INTERNATIONAL FINANCIAL INSTITUTIONS

SEC. 533. (a) No funds appropriated by this Act may be made as payment to any international financial institution while the United States Executive Director to such institution is compensated by the institution at a rate which, together with whatever compensation such Director receives from the United States, is in excess of the rate provided for an individual occupying a position at level IV of the Executive Schedule under section 5315 of title 5, United States Code, or while any alternate United States Director to such institution is compensated by the institution at a rate in excess of the rate provided for an individual occupying a position at level V of the Executive Schedule under section 5316 of title 5, United States Code.

(b) For purposes of this section, ''international financial institutions'' are: the International Bank for Reconstruction and Development, the Inter-American Development Bank, the Asian Development Bank, the Asian Development Fund, the African Development Bank, the African Development Fund, the International Monetary Fund, the North American Development Bank, and the European Bank for Reconstruction and Development.

COMPLIANCE WITH UNITED NATIONS SANCTIONS AGAINST IRAQ

SEC. 534. None of the funds appropriated or otherwise made available pursuant to this Act to carry out the Foreign Assistance Act of 1961 (including title IV of chapter 2 of part I, relating to the Overseas Private Investment Corporation) or the Arms Export Control Act may be used to provide assistance to any country that is not in compliance with the United Nations Security Council sanctions against Iraq unless the President determines and so certifies to the Congress that—

(1) such assistance is in the national interest of the United States;

(2) such assistance will directly benefit the needy people in that country; or

(3) the assistance to be provided will be humanitarian assistance for foreign nationals who have fled Iraq and Kuwait.

COMPETITIVE PRICING FOR SALES OF DEFENSE ARTICLES

SEC. 535. Direct costs associated with meeting a foreign customer's additional or unique requirements will continue to be allowable under contracts under section 22(d) of the Arms Export Control Act. Loadings applicable to such direct costs shall be permitted at the same rates applicable to procurement of like items purchased by the Department of Defense for its own use.

AUTHORITIES FOR THE PEACE CORPS, THE INTER-AMERICAN FOUNDATION AND THE AFRICAN DEVELOPMENT FOUNDATION

SEC. 536. Unless expressly provided to the contrary, provisions of this or any other Act, including provisions contained in prior Acts authorizing or making appropriations for foreign operations, export financing, and related programs, shall not be construed to prohibit activities authorized by or conducted under the Peace Corps Act, the Inter-American Foundation Act, or the African Development Foundation Act. The appropriate agency shall promptly report to the Committees on Appropriations whenever it is conducting activities or is proposing to conduct activities in a country for which assistance is prohibited.

IMPACT ON JOBS IN THE UNITED STATES

SEC. 537. None of the funds appropriated by this Act may be obligated or expended to provide—

(1) any financial incentive to a business enterprise currently located in the United States for the purpose of inducing such an enterprise to relocate outside the United States if such incentive or inducement is likely to reduce the number of employees of such business enterprise in the United States because United States production is being replaced by such enterprise outside the United States;

(2) assistance for the purpose of establishing or developing in a foreign country any export processing zone or designated area in which the tax, tariff, labor, environment, and safety laws of that country do not apply, in part or in whole, to activities carried out within that zone or area, unless the President determines and certifies that such assistance is not likely to cause a loss of jobs within the United States; or

(3) assistance for any project or activity that contributes to the violation of internationally recognized workers rights, as defined in section 502(a)(4) of the Trade Act of 1974, of workers in the recipient country, including any designated zone or area in that country: *Provided*, That in recognition that the application of this subsection should be commensurate with the level of development of the recipient country and sector, the provisions of this subsection shall not preclude assistance for the informal sector in such country, micro and small-scale enterprise, and smallholder agriculture.

SPECIAL AUTHORITIES

SEC. 538. (a) Funds appropriated in titles I and II of this Act that are made available for Afghanistan, Lebanon, Montenegro, and for victims of war, displaced children, displaced Burmese, humanitarian assistance for Romania, and humanitarian assistance for the peoples of Bosnia and Herzegovina, Croatia, and Kosova, may be made available notwithstanding any other provision of law.

(b) Funds appropriated by this Act to carry out the provisions of sections 103 through 106 of the Foreign Assistance Act of 1961 may be used, notwithstanding any other provision of law, for the purpose of supporting biodiversity conservation activities: *Provided*, That such assistance shall be subject to sections 116, 502B, and 620A of the Foreign Assistance Act of 1961.

(c) The Agency for International Development may employ personal services contractors, notwithstanding any other provision of law, for the purpose of administering programs for the West Bank and Gaza.

(d)(1) WAIVER.—The President may waive the provisions of section 1003 of Public Law 100–204 if the President determines and certifies in writing to the Speaker of the House of Representatives and the President pro tempore of the Senate that it is important to the national security interests of the United States.

(2) PERIOD OF APPLICATION OF WAIVER.—Any waiver pursuant to paragraph (1) shall be effective for no more than a period of six months at a time and shall not apply beyond twelve months after enactment of this Act.

POLICY ON TERMINATING THE ARAB LEAGUE BOYCOTT OF ISRAEL

SEC. 539. It is the sense of the Congress that—

(1) the Arab League countries should immediately and publicly renounce the primary boycott of Israel and the secondary and tertiary boycott of American firms that have commercial ties with Israel;

(2) the decision by the Arab League in 1997 to reinstate the boycott against Israel was deeply troubling and disappointing;

(3) the Arab League should immediately rescind its decision on the boycott and its members should develop normal relations with their neighbor Israel; and

(4) the President should—

(A) take more concrete steps to encourage vigorously Arab League countries to renounce publicly the primary boycotts of Israel and the secondary and tertiary boycotts of American firms that have commercial relations with Israel as a confidence-building measure;

(B) take into consideration the participation of any recipient country in the primary boycott of Israel and the secondary and tertiary boycotts of American firms that have commercial relations with Israel when determining whether to sell weapons to said country;

(C) report to Congress on the specific steps being taken by the President to bring about a public renunciation of the Arab primary boycott of Israel and the secondary and tertiary boycotts of American firms that have commercial relations with Israel and to expand the process of normalizing ties between Arab League countries and Israel; and

(D) encourage the allies and trading partners of the United States to enact laws prohibiting businesses from complying with the boycott and penalizing businesses that do comply.

ANTI-NARCOTICS ACTIVITIES

SEC. 540. (a) Of the funds appropriated by this Act for ''Economic Support Fund'', assistance may be provided to strengthen the administration of justice in countries in

Latin America and the Caribbean and in other regions consistent with the provisions of section 534(b) of the Foreign Assistance Act of 1961, except that programs to enhance protection of participants in judicial cases may be conducted notwithstanding section 660 of that Act.

(b) Funds made available pursuant to this section may be made available notwithstanding section 534(c) and the second and third sentences of section 534(e) of the Foreign Assistance Act of 1961.

ELIGIBILITY FOR ASSISTANCE

SEC. 541. (a) ASSISTANCE THROUGH NONGOVERNMENTAL ORGANIZATIONS.—Restrictions contained in this or any other Act with respect to assistance for a country shall not be construed to restrict assistance in support of programs of nongovernmental organizations from funds appropriated by this Act to carry out the provisions of chapters 1, 10, and 11 of part I, and chapter 4 of part II, of the Foreign Assistance Act of 1961: *Provided*, That the President shall take into consideration, in any case in which a restriction on assistance would be applicable but for this subsection, whether assistance in support of programs of nongovernmental organizations is in the national interest of the United States: *Provided further*, That before using the authority of this subsection to furnish assistance in support of programs of nongovernmental organizations, the President shall notify the Committees on Appropriations under the regular notification procedures of those committees, including a description of the program to be assisted, the assistance to be provided, and the reasons for furnishing such assistance: *Provided further*, That nothing in this subsection shall be construed to alter any existing statutory prohibitions against abortion or involuntary sterilizations contained in this or any other Act.

(b) PUBLIC LAW 480.—During fiscal year 1999, restrictions contained in this or any other Act with respect to assistance for a country shall not be construed to restrict assistance under the Agricultural Trade Development and Assistance Act of 1954: *Provided*, That none of the funds appropriated to carry out title I of such Act and made available pursuant to this subsection may be obligated or expended except as provided through the regular notification procedures of the Committees on Appropriations.

(c) EXCEPTION.—This section shall not apply—

(1) with respect to section 620A of the Foreign Assistance Act or any comparable provision of law prohibiting assistance to countries that support international terrorism; or

(2) with respect to section 116 of the Foreign Assistance Act of 1961 or any comparable provision of law prohibiting assistance to countries that violate internationally recognized human rights.

EARMARKS

SEC. 542. (a) Funds appropriated by this Act which are earmarked may be reprogrammed for other programs within the same account notwithstanding the earmark if compliance with the earmark is made impossible by operation of any provision of this or any other Act or, with respect to a country with which the United States has an agreement providing the United States with base rights or base access in that country, if the President determines that the recipient for which funds are earmarked has significantly reduced its military or economic cooperation with the United States since enactment of the Foreign Operations, Export Financing, and Related Programs Appropriations Act, 1991; however, before exercising the authority of this subsection with regard to a base rights or base access country which has significantly reduced its military or economic cooperation with the United States, the President shall consult with, and shall provide a written policy justification to the Committees on Appropriations: *Provided*, That any such reprogramming shall be subject to the regular notification procedures of the Committees on Appropriations: *Provided further*, That assistance that is reprogrammed pursuant to this subsection shall be made available under the same terms and conditions as originally provided.

(b) In addition to the authority contained in subsection (a), the original period of availability of funds appropriated by this Act and administered by the Agency for International Development that are earmarked for particular programs or activities by this or any other Act shall be extended for an additional fiscal year if the Administrator of such agency determines and reports promptly to the Committees on Appropriations that the termination of assistance to a country or a significant change in circumstances makes it unlikely that such earmarked funds can be obligated during the original period of availability: *Provided*, That such earmarked funds that are continued available for an additional fiscal year shall be obligated only for the purpose of such earmark.

CEILINGS AND EARMARKS

SEC. 543. Ceilings and earmarks contained in this Act shall not be applicable to funds or authorities appropriated or otherwise made available by any subsequent Act unless such Act specifically so directs.

PROHIBITION ON PUBLICITY OR PROPAGANDA

SEC. 544. No part of any appropriation contained in this Act shall be used for publicity or propaganda purposes within the United States not authorized before the date of enactment of this Act by the Congress: *Provided*, That not to exceed $950,000 may be made available to carry out the provisions of section 316 of Public Law 96–533.

PURCHASE OF AMERICAN-MADE EQUIPMENT AND PRODUCTS

SEC. 545. (a) To the maximum extent possible, assistance provided under this Act should make full use of American resources, including commodities, products, and services.

(b) It is the Sense of the Congress that, to the greatest extent practicable, all equipment and products purchased with funds made available in this Act should be American-made.

(c) In providing financial assistance to, or entering into any contract with, any entity using funds made available in this Act, the head of each Federal agency, to the greatest extent practicable, shall provide to such entity a notice describing the statement made in subsection (b) by the Congress.

PROHIBITION OF PAYMENTS TO UNITED NATIONS MEMBERS

SEC. 546. None of the funds appropriated or made available pursuant to this Act for carrying out the Foreign Assistance Act of 1961, may be used to pay in whole or in part any assessments, arrearages, or dues of any member of the United Nations.

CONSULTING SERVICES

SEC. 547. The expenditure of any appropriation under this Act for any consulting service through procurement contract, pursuant to section 3109 of title 5, United States Code, shall be limited to those contracts where such expenditures are a matter of public record and available for public inspection, except where otherwise provided under existing law, or under existing Executive order pursuant to existing law.

PRIVATE VOLUNTARY ORGANIZATIONS—DOCUMENTATION

SEC. 548. None of the funds appropriated or made available pursuant to this Act shall be available to a private voluntary organization which fails to provide upon timely request any document, file, or record necessary to the auditing requirements of the Agency for International Development.

PROHIBITION ON ASSISTANCE TO FOREIGN GOVERNMENTS THAT EXPORT LETHAL MILITARY EQUIPMENT TO COUNTRIES SUPPORTING INTERNATIONAL TERRORISM

SEC. 549. (a) None of the funds appropriated or otherwise made available by this Act may be available to any foreign government which provides lethal military equipment to a country the government of which the Secretary of State has determined is a terrorist government for purposes of section 40(d) of the Arms Export Control Act or any other comparable provision of law. The prohibition under this section with respect to a foreign government shall terminate 12 months after that government ceases to provide such military equipment. This section applies with respect to lethal military equipment provided under a contract entered into after October 1, 1997.

(b) Assistance restricted by subsection (a) or any other similar provision of law, may be furnished if the President determines that furnishing such assistance is important to the national interests of the United States.

(c) Whenever the waiver of subsection (b) is exercised, the President shall submit to the appropriate congressional committees a report with respect to the furnishing of such assistance. Any such report shall include a detailed explanation of the assistance estimated to be provided, including the estimated dollar amount of such assistance, and an explanation of how the assistance furthers United States national interests.

WITHHOLDING OF ASSISTANCE FOR PARKING FINES OWED BY FOREIGN COUNTRIES

SEC. 550. (a) IN GENERAL.—Of the funds made available for a foreign country under part I of the Foreign Assistance Act of 1961, an amount equivalent to 110 percent of the total unpaid fully adjudicated parking fines and penalties owed to the District of Columbia by such country as of the date of enactment of this Act shall be withheld from obligation for such country until the Secretary of State certifies and reports in writing to the appropriate congressional committees that such fines and penalties are fully paid to the government of the District of Columbia.

(b) DEFINITION.—For purposes of this section, the term ''appropriate congressional committees'' means the Committee on Foreign Relations and the Committee on Appropriations of the Senate and the Committee on International Relations and the Committee on Appropriations of the House of Representatives.

LIMITATION ON ASSISTANCE FOR THE PLO FOR THE WEST BANK AND GAZA

SEC. 551. None of the funds appropriated by this Act may be obligated for assistance for the Palestine Liberation Organization for the West Bank and Gaza unless the President has exercised the authority under section 604(a) of the Middle East Peace Facilitation Act of 1995 (title VI of Public Law 104–107) or any other legislation to suspend or make inapplicable section 307 of the Foreign Assistance Act of 1961 and that suspension is still in effect: *Provided*, That if the President fails to make the certification under section 604(b)(2) of the Middle East Peace Facilitation Act of 1995 or to suspend the prohibition under other legislation, funds appropriated by this Act may not be obligated for assistance for the Palestine Liberation Organization for the West Bank and Gaza.

WAR CRIMES TRIBUNALS DRAWDOWN

SEC. 552. If the President determines that doing so will contribute to a just resolution of charges regarding genocide or other violations of international humanitarian law, the President may direct a drawdown pursuant to section 552(c) of the Foreign Assistance Act of 1961, as amended, of up to $25,000,000 of commodities and services for the United Nations War Crimes Tribunal established with regard to the former Yugoslavia by the United Nations Security Council or such other tribunals or commissions as the Council may establish to deal with such violations, without regard to the ceiling limitation contained in paragraph (2) thereof: *Provided,* That the determination required under this section shall be in lieu of any determinations otherwise required under section 552(c): *Provided further,* That 60 days after the date of enactment of this Act, and every 180 days thereafter, the Secretary of State shall submit a report to the Committees on Appropriations describing the steps the United States Government is taking to collect information regarding allegations of genocide or other violations of international law in the former Yugoslavia and to furnish that information to the United Nations War Crimes Tribunal for the former Yugoslavia.

LANDMINES

SEC. 553. Notwithstanding any other provision of law, demining equipment available to the Agency for International Development and the Department of State and used in support of the clearance of landmines and unexploded ordnance for humanitarian purposes may be disposed of on a grant basis in foreign countries, subject to such terms and conditions as the President may prescribe.

RESTRICTIONS CONCERNING THE PALESTINIAN AUTHORITY

SEC. 554. None of the funds appropriated by this Act may be obligated or expended to create in any part of Jerusalem a new office of any department or agency of the United States Government for the purpose of conducting official United States Government business with the Palestinian Authority over Gaza and Jericho or any successor Palestinian governing entity provided for in the Israel-PLO Declaration of Principles: *Provided,* That this restriction shall not apply to the acquisition of additional space for the existing Consulate General in Jerusalem: *Provided further,* That meetings between officers and employees of the United States and officials of the Palestinian Authority, or any successor Palestinian governing entity provided for in the Israel-PLO Declaration of Principles, for the purpose of conducting official United States Government business with such authority should continue to take place in locations other than Jerusalem. As has been true in the past, officers and employees of the United States Government may continue to meet in Jerusalem on other subjects with Palestinians (including those who now occupy positions in the Palestinian Authority), have social contacts, and have incidental discussions.

PROHIBITION OF PAYMENT OF CERTAIN EXPENSES

SEC. 555. None of the funds appropriated or otherwise made available by this Act under the heading ''International Military Education and Training'' or ''Foreign Military Financing Program'' for Informational Program activities may be obligated or expended to pay for—

(1) alcoholic beverages;

(2) food (other than food provided at a military installation) not provided in conjunction with Informational Program trips where students do not stay at a military installation; or

(3) entertainment expenses for activities that are substantially of a recreational character, including entrance fees at sporting events and amusement parks.

EQUITABLE ALLOCATION OF FUNDS

SEC. 556. Not more than 18 percent of the funds appropriated by this Act to carry out the provisions of sections 103 through 106 and chapter 4 of part II of the Foreign Assistance Act of 1961, that are made available for Latin America and the Caribbean region may be made available, through bilateral and Latin America and the Caribbean regional programs, to provide assistance for any country in such region.

SPECIAL DEBT RELIEF FOR THE POOREST

SEC. 557. (a) AUTHORITY TO REDUCE DEBT.—The President may reduce amounts owed to the United States (or any agency of the United States) by an eligible country as a result of—

(1) guarantees issued under sections 221 and 222 of the Foreign Assistance Act of 1961;

(2) credits extended or guarantees issued under the Arms Export Control Act; or

(3) any obligation or portion of such obligation for a Latin American country, to pay for purchases of United States agricultural commodities guaranteed by the Commodity Credit Corporation under export credit guarantee programs authorized pursuant to section 5(f) of the Commodity Credit Corporation Charter Act of June 29, 1948, as amended, section 4(b) of the Food for Peace Act of 1966, as amended (Public Law 89–808), or section 202 of the Agricultural Trade Act of 1978, as amended (Public Law 95–501).

(b) LIMITATIONS.—

(1) The authority provided by subsection (a) may be exercised only to implement multilateral official debt relief ad referendum agreements, commonly referred to as ''Paris Club Agreed Minutes''.

(2) The authority provided by subsection (a) may be exercised only in such amounts or to such extent as is provided in advance by appropriations Acts.

(3) The authority provided by subsection (a) may be exercised only with respect to countries with heavy debt burdens that are eligible to borrow from the International Development Association, but not from the International Bank for Reconstruction and Development, commonly referred to as ''IDA-only'' countries.

(c) CONDITIONS.—The authority provided by subsection (a) may be exercised only with respect to a country whose government—

(1) does not have an excessive level of military expenditures;

(2) has not repeatedly provided support for acts of international terrorism;

(3) is not failing to cooperate on international narcotics control matters;

(4) (including its military or other security forces) does not engage in a consistent pattern of gross violations of internationally recognized human rights; and

(5) is not ineligible for assistance because of the application of section 527 of the Foreign Relations Authorization Act, Fiscal Years 1994 and 1995.

(d) AVAILABILITY OF FUNDS.—The authority provided by subsection (a) may be used only with regard to funds appropriated by this Act under the heading ''Debt restructuring''.

(e) CERTAIN PROHIBITIONS INAPPLICABLE.—A reduction of debt pursuant to subsection (a) shall not be considered assistance for purposes of any provision of law limiting assistance to a country. The authority provided by subsection (a) may be exercised notwithstanding section 620(r) of the Foreign Assistance Act of 1961.

AUTHORITY TO ENGAGE IN DEBT BUYBACKS OR SALES

SEC. 558. (a) LOANS ELIGIBLE FOR SALE, REDUCTION, OR CANCELLATION.—

(1) AUTHORITY TO SELL, REDUCE, OR CANCEL CERTAIN LOANS.—Notwithstanding any other provision of law, the President may, in accordance with this section, sell to any eligible purchaser any concessional loan or portion thereof made before January 1, 1995, pursuant to the Foreign Assistance Act of 1961, to the government of any eligible country as defined in section 702(6) of that Act or on receipt of payment from an eligible purchaser, reduce or cancel such loan or portion thereof, only for the purpose of facilitating—

(A) debt-for-equity swaps, debt-for-development swaps, or debt-for-nature swaps; or

(B) a debt buyback by an eligible country of its own qualified debt, only if the eligible country uses an additional amount of the local currency of the eligible country, equal to not less than 40 percent of the price paid for such debt by such eligible country, or the difference between the price paid for such debt and the face value of such debt, to support activities that link conservation and sustainable use of natural resources with local community development, and child survival and other child development, in a manner consistent with sections 707 through 710 of the Foreign Assistance Act of 1961, if the sale, reduction, or cancellation would not contravene any term or condition of any prior agreement relating to such loan.

(2) TERMS AND CONDITIONS.—Notwithstanding any other provision of law, the President shall, in accordance with this section, establish the terms and conditions under which loans may be sold, reduced, or canceled pursuant to this section.

(3) ADMINISTRATION.—The Facility, as defined in section 702(8) of the Foreign Assistance Act of 1961, shall notify the administrator of the agency primarily responsible for administering part I of the Foreign Assistance Act of 1961 of purchasers that the President has determined to be eligible, and shall direct such agency to carry out the sale, reduction, or cancellation of a loan pursuant to this section. Such agency shall make an adjustment in its accounts to reflect the sale, reduction, or cancellation.

(4) LIMITATION.—The authorities of this subsection shall be available only to the extent that appropriations for the cost of the modification, as defined in section 502 of the Congressional Budget Act of 1974, are made in advance.

(b) DEPOSIT OF PROCEEDS.—The proceeds from the sale, reduction, or cancellation of any loan sold, reduced, or canceled pursuant to this section shall be deposited in the United States Government account or accounts established for the repayment of such loan.

(c) ELIGIBLE PURCHASERS.—A loan may be sold pursuant to subsection (a)(1)(A) only to a purchaser who presents plans satisfactory to the President for using the loan for the purpose of engaging in debt-for-equity swaps, debt-for-development swaps, or debt-for-nature swaps.

(d) DEBTOR CONSULTATIONS.—Before the sale to any eligible purchaser, or any reduction or cancellation pursuant to this section, of any loan made to an eligible country, the President should consult with the country concerning the amount of loans to be sold, reduced, or canceled and their uses for debt-for-equity swaps, debt-for-development swaps, or debt-for-nature swaps.

(e) AVAILABILITY OF FUNDS.—The authority provided by subsection (a) may be used only with regard to funds appropriated by this Act under the heading ''Debt restructuring''.

SANCTIONS AGAINST COUNTRIES HARBORING WAR CRIMINALS

SEC. 559. (a) BILATERAL ASSISTANCE.—The President is authorized to withhold funds appropriated by this Act under the Foreign Assistance Act of 1961 or the Arms Export Control Act for any country described in subsection (c).

(b) MULTILATERAL ASSISTANCE.—The Secretary of the Treasury should instruct the United States executive directors of the international financial institutions to work in opposition to, and vote against, any extension by such institutions of financing or financial or technical assistance to any country described in subsection (c).

(c) SANCTIONED COUNTRIES.—A country described in this subsection is a country the government of which knowingly grants sanctuary to persons in its territory for the purpose of evading prosecution, where such persons—

(1) have been indicted by the International Criminal Tribunal for Rwanda, or any other international tribunal with similar standing under international law; or

(2) have been indicted for war crimes or crimes against humanity committed during the period beginning March 23, 1933 and ending on May 8, 1945 under the direction of, or in association with—

(A) the Nazi government of Germany;

(B) any government in any area occupied by the military forces of the Nazi government of Germany;

(C) any government which was established with the assistance or cooperation of the Nazi government; or

(D) any government which was an ally of the Nazi government of Germany.

LIMITATION ON ASSISTANCE FOR HAITI

SEC. 560. (a) LIMITATION.—Funds appropriated by this Act may be made available for assistance for the Government of Haiti only if the President reports to the Committee on Appropriations and the Committee on International Relations of the House of Representatives and the Committee on Appropriations and the Committee on Foreign Relations of the Senate that the Government of Haiti—

(1) has completed privatization of (or placed under long-term private management or concession) three major public entities including the completion of all required incorporating documents, the transfer of assets, and the eviction of unauthorized occupants of the land or facility;

(2) is cooperating with the United States in halting illegal emigration from Haiti;

(3) is conducting thorough investigations of extrajudicial and political killings and has made substantial progress in bringing to justice a person or persons responsible for one or more extrajudicial or political killings in Haiti, and is cooperating with United States authorities and with United States-funded technical advisors to the Haitian National Police in such investigations;

(4) has taken action to remove from the Haitian National Police, national palace and residential guard, ministerial guard, and any other public security entity or unit of Haiti those individuals who are credibly alleged to have engaged in or conspired to conceal gross violations of internationally recognized human rights or credibly alleged to have engaged in or conspired to engage in narcotics trafficking; and

(5) is implementing the maritime counter-narcotics agreements signed in October 1997.

(b) AVAILABILITY OF ELECTORAL ASSISTANCE.—Funds appropriated by this Act may be made available to support elections in Haiti only if the President reports to the Congress that the Government of Haiti:

(1) has achieved a transparent settlement of the contested April 1997 elections; and

(2) has made concrete progress on the constitution of a credible and competent provisional electoral council with the agreement of a broad spectrum of diverse political parties.

(c) EXCEPTIONS.—The limitations in subsections (a) and (b) shall not apply to the provision of—

(1) counter-narcotics assistance, support for the Haitian National Police's Special Investigations Unit and anti-corruption programs, the International Criminal Investigative Assistance Program, and assistance in support of Haitian customs and maritime officials;

(2) food assistance management and support;

(3) assistance for urgent humanitarian needs, such as medical and other supplies and services in support of community health services, schools, and orphanages; and

(4) not more than $3,000,000 for the development and support of political parties.

(d) WAIVER.—At any time after 150 days from the date of enactment of this Act, the Secretary of State may waive the requirements contained in subsection (a)(1) if she reports to the Committees specified in subsection (a) that the Government of Haiti has satisfied the requirements of subsection (a)(1) with regard to one major public entity.

(e) REPORTS.—The Secretary of State shall provide to the Committees specified in subsection (a) on a quarterly basis—

(1) in consultation with the Secretary of Defense and the Administrator of the Drug Enforcement Administration, a report on the status and number of United States personnel deployed in and around Haiti on Department of Defense, Drug Enforcement Administration, and United Nations missions, including displays by functional or operational assignment for such personnel and the cost to the United States of these operations; and

(2) the monthly reports, prepared during the previous quarter, of the Organization of American States/United Nations International Civilian Mission to Haiti (MICIVIH).

REQUIREMENT FOR DISCLOSURE OF FOREIGN AID IN REPORT OF SECRETARY OF STATE

SEC. 561. (a) FOREIGN AID REPORTING REQUIREMENT.—In addition to the voting practices of a foreign country, the report required to be submitted to Congress under section 406(a) of the Foreign Relations Authorization Act, fiscal years 1990 and 1991 (22 U.S.C. 2414a), shall include a side-by-side comparison of individual countries' overall support for the United States at the United Nations and the amount of United States assistance provided to such country in fiscal year 1998.

(b) UNITED STATES ASSISTANCE.—For purposes of this section, the term ''United States assistance'' has the meaning given the term in section 481(e)(4) of the Foreign Assistance Act of 1961 (22 U.S.C. 2291(e)(4)).

RESTRICTIONS ON VOLUNTARY CONTRIBUTIONS TO UNITED NATIONS AGENCIES

SEC. 562. (a) PROHIBITION ON VOLUNTARY CONTRIBUTIONS FOR THE UNITED NATIONS.—None of the funds appropriated by this Act may be made available to pay any voluntary contribution of the United States to the United Nations (including the United Nations Development Program) if the United Nations implements or imposes any taxation on any United States persons.

(b) CERTIFICATION REQUIRED FOR DISBURSEMENT OF FUNDS.—None of the funds appropriated by this Act may be made available to pay any voluntary contribution of the United States to the United Nations (including the United Nations Development Program) unless the President certifies to the Congress 15 days in advance of such payment that the United Nations is not engaged in any effort to implement or impose any taxation on United States persons in order to raise revenue for the United Nations or any of its specialized agencies.

(c) DEFINITIONS.—As used in this section the term ''United States person'' refers to—

(1) a natural person who is a citizen or national of the United States; or

(2) a corporation, partnership, or other legal entity organized under the United States or any State, territory, possession, or district of the United States.

LIMITATION ON ASSISTANCE TO THE PALESTINIAN AUTHORITY

SEC. 563. (a) PROHIBITION OF FUNDS.—None of the funds appropriated by this Act to carry out the provisions of chapter 4 of part II of the Foreign Assistance Act of 1961 may be obligated or expended with respect to providing funds to the Palestinian Authority.

(b) WAIVER.—The prohibition included in subsection (a) shall not apply if the President certifies in writing to the Speaker of the House of Representatives and the President pro tempore of the Senate that waiving such prohibition is important to the national security interests of the United States.

(c) PERIOD OF APPLICATION OF WAIVER.—Any waiver pursuant to subsection (b) shall be effective for no more than a period of six months at a time and shall not apply beyond twelve months after enactment of this Act.

LIMITATION ON ASSISTANCE TO THE GOVERNMENT OF CROATIA

SEC. 564. None of the funds appropriated by title II of this Act may be made available to the Government of Croatia to relocate the remains of Croatian Ustashe soldiers, at the site of the World War II concentration camp at Jasenovac, Croatia.

LIMITATION ON ASSISTANCE TO SECURITY FORCES

SEC. 565. None of the funds made available by this Act may be provided to any unit of the security forces of a foreign country if the Secretary of State has credible evidence that such unit has committed gross violations of human rights, unless the Secretary determines and reports to the Committees on Appropriations that the government of such country is taking effective measures to bring the responsible members of the security forces unit to justice: *Provided*, That nothing in this section shall be construed to withhold funds made available by this Act from any unit of the security forces of a foreign country not credibly alleged to be involved in gross violations of human rights: *Provided further*, That in the event that funds are withheld from any unit pursuant to this section, the Secretary of State shall promptly inform the foreign government of the basis for such action and shall, to the maximum extent practicable, assist the foreign government in taking effective measures to bring the responsible members of the security forces to justice.

LIMITATIONS ON TRANSFER OF MILITARY EQUIPMENT TO EAST TIMOR

SEC. 566. In any agreement for the sale, transfer, or licensing of any lethal equipment or helicopter for Indonesia entered into by the United States pursuant to the authority of this Act or any other Act, the agreement shall state that the United States expects that the items will not be used in East Timor: *Provided*, That nothing in this section shall be construed to limit Indonesia's inherent right to legitimate national self-defense as recognized under the United Nations Charter and international law.

RESTRICTIONS ON ASSISTANCE TO COUNTRIES PROVIDING SANCTUARY TO INDICTED WAR CRIMINALS

SEC. 567. (a) BILATERAL ASSISTANCE.—None of the funds made available by this or any

prior Act making appropriations for foreign operations, export financing and related programs, may be provided for any country, entity or canton described in subsection (d).

(b) MULTILATERAL ASSISTANCE.—

(1) PROHIBITION.—The Secretary of the Treasury shall instruct the United States executive directors of the international financial institutions to work in opposition to, and vote against, any extension by such institutions of any financial or technical assistance or grants of any kind to any country or entity described in subsection (d).

(2) NOTIFICATION.—Not less than 15 days before any vote in an international financial institution regarding the extension of financial or technical assistance or grants to any country or entity described in subsection (d), the Secretary of the Treasury, in consultation with the Secretary of State, shall provide to the Committee on Appropriations and the Committee on Foreign Relations of the Senate and the Committee on Appropriations and the Committee on Banking and Financial Services of the House of Representatives a written justification for the proposed assistance, including an explanation of the United States position regarding any such vote, as well as a description of the location of the proposed assistance by municipality, its purpose, and its intended beneficiaries.

(3) DEFINITION.—The term ''international financial institution'' includes the International Monetary Fund, the International Bank for Reconstruction and Development, the International Development Association, the International Finance Corporation, the Multilateral Investment Guaranty Agency, and the European Bank for Reconstruction and Development.

(c) EXCEPTIONS.—

(1) IN GENERAL.—Subject to paragraph (2), subsections (a) and (b) shall not apply to the provision of—

(A) humanitarian assistance;

(B) democratization assistance;

(C) assistance for cross border physical infrastructure projects involving activities in both a sanctioned country, entity, or canton and a nonsanctioned contiguous country, entity, or canton, if the project is primarily located in and primarily benefits the nonsanctioned country, entity, or canton and if the portion of the project located in the sanctioned country, entity, or canton is necessary only to complete the project;

(D) small-scale assistance projects or activities requested by United States Armed Forces that promote good relations between such forces and the officials and citizens of the areas in the United States SFOR sector of Bosnia;

(E) implementation of the Brcko Arbitral Decision;

(F) lending by the international financial institutions to a country or entity to support common monetary and fiscal policies at the national level as contemplated by the Dayton Agreement; or

(G) direct lending to a non-sanctioned entity, or lending passed on by the national government to a non-sanctioned entity.

(2) FURTHER LIMITATIONS.—Notwithstanding paragraph (1)—

(A) no assistance may be made available by this Act, or any prior Act making appropriations for foreign operations, export financing and related programs, in any country, entity, or canton described in subsection (d), for a program, project, or activity in which a publicly indicted war criminal is known to have any financial or material interest; and

(B) no assistance (other than emergency foods or medical assistance or demining assistance) may be made available by this Act, or any prior Act making appropriations for foreign operations, export financing and related programs for any program, project, or activity in a community within any country, entity or canton described in subsection (d) if competent authorities within that community are not complying with the provisions of Article IX and Annex 4, Article II, paragraph 8 of the Dayton Agreement relating to war crimes and the Tribunal.

(d) SANCTIONED COUNTRY, ENTITY, OR CANTON.—A sanctioned country, entity, or canton described in this section is one whose competent authorities have failed, as determined by the Secretary of State, to take necessary and significant steps to apprehend and transfer to the Tribunal all persons who have been publicly indicted by the Tribunal.

(e) WAIVER.—

(1) IN GENERAL.—The Secretary of State may waive the application of subsection (a) or subsection (b) with respect to specified bilateral programs or international financial institution projects or programs in a sanctioned country, entity, or canton upon providing a written determination to the Committee on Appropriations and the Committee on Foreign Relations of the Senate and the Committee on Appropriations and the Committee on International Relations of the House of Representatives that such assistance directly supports the implementation of the Dayton Agreement and its Annexes, which include the obligation to apprehend and transfer indicted war criminals to the Tribunal.

(2) REPORT.—Not later than 15 days after the date of any written determination under paragraph (e)(1), the Secretary of State shall submit a report to the Committee on Appropriations and the Committee on Foreign Relations of the Senate and the Committee on Appropriations and the Committee on International Relations of the House of Representatives regarding the status of efforts to secure the voluntary surrender or apprehension and transfer of persons indicted by the Tribunal, in accordance with the Dayton Agreement, and outlining obstacles to achieving this goal.

(3) ASSISTANCE PROGRAMS AND PROJECTS AFFECTED.—Any waiver made pursuant to this subsection shall be effective only with respect to a specified bilateral program or multilateral assistance project or program identified in the determination of the Secretary of State to Congress.

(f) TERMINATION OF SANCTIONS.—The sanctions imposed pursuant to subsections (a) and (b) with respect to a country or entity shall cease to apply only if the Secretary of State determines and certifies to Congress that the authorities of that country, entity, or canton have apprehended and transferred to the Tribunal all persons who have been publicly indicted by the Tribunal.

(g) DEFINITIONS.—As used in this section—

(1) COUNTRY.—The term ''country'' means Bosnia-Herzegovina, Croatia, Serbia, and Montenegro.

(2) ENTITY.—The term ''entity'' refers to the Federation of Bosnia and Herzegovina and the Republika Srpska.

(3) CANTON.—The term ''canton'' means the administrative units in Bosnia and Herzegovina.

(4) DAYTON AGREEMENT.—The term ''Dayton Agreement'' means the General Framework Agreement for Peace in Bosnia and Herzegovina, together with annexes relating thereto, done at Dayton, November 10 through 16, 1995.

(5) TRIBUNAL.—The term ''Tribunal'' means the International Criminal Tribunal for the Former Yugoslavia.

(h) ROLE OF HUMAN RIGHTS ORGANIZATIONS AND GOVERNMENT AGENCIES.—In carrying out this section, the Secretary of State, the Administrator of the Agency for International Development, and the executive directors of the international financial institutions shall consult with representatives of human rights organizations and all government agencies with relevant information to help prevent publicly indicted war criminals from benefitting from any financial or technical assistance or grants provided to any country or entity described in subsection (d).

ADDITIONAL REQUIREMENTS RELATING TO STOCKPILING OF DEFENSE ARTICLES FOR FOREIGN COUNTRIES

SEC. 568. (a) VALUE OF ADDITIONS TO STOCKPILES.—Section 514(b)(2)(A) of the Foreign Assistance Act of 1961 (22 U.S.C. 2321h(b)(2)(A)) is amended by inserting before the period at the end the following: ''and $340,000,000 for fiscal year 1999''.

(b) REQUIREMENTS RELATING TO THE REPUBLIC OF KOREA AND THAILAND.—Section 514(b)(2)(B) of such Act (22 U.S.C. 2321h(b)(2)(B)) is amended by adding at the end the following: ''Of the amount specified in subparagraph (A) for fiscal year 1999, not more than $320,000,000 may be made available for stockpiles in the Republic of Korea and not more than $20,000,000 may be made available for stockpiles in Thailand.''.

REQUIREMENTS FOR THE REPORTING TO CONGRESS OF THE COSTS TO THE FEDERAL GOVERNMENT ASSOCIATED WITH THE PROPOSED AGREEMENT TO REDUCE GREENHOUSE GAS EMISSIONS

SEC. 569. The President shall provide to the Congress a detailed account of all Federal agency obligations and expenditures for climate change programs and activities, domestic and international, for fiscal year 1998, planned obligations for such activities in fiscal year 1999, and any plan for programs thereafter in the context of negotiations to amend the Framework Convention on Climate Change (FCCC) to be provided to the appropriate congressional committees no later than November 15, 1998.

WITHHOLDING ASSISTANCE TO COUNTRIES VIOLATING UNITED NATIONS SANCTIONS AGAINST LIBYA

SEC. 570. (a) WITHHOLDING OF ASSISTANCE.—Except as provided in subsection (b), whenever the President determines and certifies to Congress that the government of any country is violating any sanction against Libya imposed pursuant to United Nations Security Council Resolution 731, 748, or 883, then not less than 5 percent of the funds allocated for the country under section 653(a) of the Foreign Assistance Act of 1961 out of appropriations in this Act shall be withheld from obligation and expenditure for that country.

(b) EXCEPTION.—The requirement to withhold funds under subsection (a) shall not apply to funds appropriated in this Act for allocation under section 653(a) of the Foreign Assistance Act of 1961 for development assistance or for humanitarian assistance.

(c) WAIVER.—Funds may be provided for a country without regard to subsection (a) if the President determines that to do so is in the national security interest of the United States.

AID TO THE GOVERNMENT OF THE DEMOCRATIC REPUBLIC OF CONGO

SEC. 571. None of the funds appropriated by this Act may be provided for assistance for the central Government of the Democratic Republic of Congo until such time as the President reports in writing to the Congress that the central Government of the Democratic Republic of Congo is cooperating fully with investigators from the United Nations in accounting for human rights violations committed in the Democratic Republic of Congo or adjacent countries.

ASSISTANCE FOR THE MIDDLE EAST

SEC. 572. Of the funds appropriated by this Act under the headings ''Economic Support

Fund'', ''Foreign Military Financing'', ''International Military Education and Training'', ''Peacekeeping Operations'', for refugees resettling in Israel under the heading ''Migration and Refugee Assistance'', and for assistance for Israel to carry out provisions of chapter 8 of part II of the Foreign Assistance Act of 1961 under the heading ''Nonproliferation, Anti-Terrorism, Demining, and Related Programs'', not more than a total of $5,402,850,000 may be made available for Israel, Egypt, Jordan, Lebanon, the West Bank and Gaza, the Israel-Lebanon Monitoring Group, the Multinational Force and Observers, the Middle East Regional Democracy Fund, Middle East Regional Cooperation, and Middle East Multilateral Working Groups: *Provided*, That any funds that were appropriated under such headings in prior fiscal years and that were at the time of enactment of this Act obligated or allocated for other recipients may not during fiscal year 1999 be made available for activities that, if funded under this Act, would be required to count against this ceiling: *Provided further*, That funds may be made available notwithstanding the requirements of this section if the President determines and certifies to the Committees on Appropriations that it is important to the national security interest of the United States to do so and any such additional funds shall only be provided through the regular notification procedures of the Committees on Appropriations.

ENTERPRISE FUND RESTRICTIONS

SEC. 573. Prior to the distribution of any assets resulting from any liquidation, dissolution, or winding up of an Enterprise Fund, in whole or in part, the President shall submit to the Committees on Appropriations, in accordance with the regular notification procedures of the Committees on Appropriations, a plan for the distribution of the assets of the Enterprise Fund.

CAMBODIA

SEC. 574. (a) None of the funds appropriated in this Act may be made available for assistance for the Government of Cambodia: *Provided*, That the restrictions under this heading shall not apply to humanitarian, demining or election-related programs or activities: *Provided further*, That the provision of such assistance shall be made available subject to the regular notification procedures of the Committees on Appropriations.

(b) The Secretary of the Treasury should instruct the United States executive directors of the international financial institutions to use the voice and vote of the United States to oppose loans to the Government of Cambodia, except loans to support basic human needs.

EXPORT FINANCING TRANSFER AUTHORITIES

SEC. 575. Not to exceed 5 percent of any appropriation other than for administrative expenses made available for fiscal year 1999 for programs under title I of this Act may be transferred between such appropriations for use for any of the purposes, programs and activities for which the funds in such receiving account may be used, but no such appropriation, except as otherwise specifically provided, shall be increased by more than 25 percent by any such transfer: *Provided*, That the exercise of such authority shall be subject to the regular notification procedures of the Committees on Appropriations.

AUTHORIZATION FOR POPULATION PLANNING

SEC. 576. Not to exceed $385,000,000 of the funds appropriated in title II of this Act may be available for population planning activities or other population assistance.

REPORT ON FOREIGN MILITARY TRAINING

SEC. 577. The Secretary of Defense and the Secretary of State shall jointly provide to the Congress by January 31, 1999, a report on all overseas military training provided to foreign military personnel under programs administered by the Department of Defense and the Department of State during fiscal years 1998 and 1999, including those proposed for fiscal year 1999. This report shall include, for each such military training activity, the foreign policy justification and purpose for the training activity, the cost of the training activity, the number of foreign students trained and their units of operation, and the location of the training. In addition, this report shall also include, with respect to United States personnel, the operational benefits to United States forces derived from each such training activity and the United States military units involved in each such training activity. This report may include a classified annex if deemed necessary and appropriate.

KOREAN PENINSULA ENERGY DEVELOPMENT ORGANIZATION

SEC. 578. Notwithstanding sections 614 and 451 of the Foreign Assistance Act of 1961, as amended, or any other provision of law, none of the funds appropriated by this Act may be used for a voluntary contribution to, or assistance for, the Korean Peninsula Energy Development Organization.

REPEAL OF RESTRICTIONS ON ASSISTANCE

SEC. 579. Section 907 of the FREEDOM Support Act is hereby repealed.

TITLE VI

FUNDS APPROPRIATED TO THE PRESIDENT

INTERNATIONAL MONETARY PROGRAMS

LOANS TO THE INTERNATIONAL MONETARY FUND

For loans to the International Monetary Fund under section 17 of the Bretton Woods Agreements Act pursuant to the New Arrangements to Borrow, the dollar equivalent of 2,462,000,000 Special Drawing Rights, to remain available until expended. In addition, the amounts appropriated by title III of the Foreign Aid and Related Agencies Appropriations Act, 1963 (Public Law 87–872) and section 1101(b) of the Supplemental Appropriations Act, 1984 (Public Law 98–181) may also be used under section 17 of the Bretton Woods Agreements Act pursuant to the New Arrangements to Borrow.

GENERAL PROVISIONS—THIS TITLE

CONDITIONS FOR THE USE OF APPROPRIATED FUNDS

SEC. 601. (a) CONDITION FOR THE USE OF APPROPRIATED FUNDS FOR QUOTA INCREASE.—None of the funds appropriated after July 15, 1998, under the heading ''United States Quota in the International Monetary Fund'' may be obligated or made available to the International Monetary Fund until 15 days after the Secretary of the Treasury and the Chairman of the Board of Governors of the Federal Reserve System jointly provide written notification to the appropriate committees that the major shareholders of the International Monetary Fund have publicly agreed to, and will act to implement in the Fund policies providing that for conditions in standby agreements or other arrangements regarding the use of Fund resources include requirements that the recipient country—

(1) liberalize restrictions on trade in goods and services and on investment, at a minimum consistent with the terms of all international trade agreements of which the borrowing country is a signatory;

(2) eliminate the pervasive practice or policy of government directed lending on noncommercial terms or provision of market distorting subsidies to favored industries, enterprises, parties, or institutions; and

(3) guarantee nondiscriminatory treatment in insolvency proceedings between domestic and foreign creditors, and for debtors and other concerned persons.

(b) CONDITION FOR THE USE OF APPROPRIATED FUNDS FOR LOANS TO THE IMF.—

(1) IN GENERAL.—None of the funds appropriated in this title under the heading ''Loans to the International Monetary Fund'' may be obligated or made available to the International Monetary Fund unless—

(A) there is in effect a written certification, made by the Secretary of the Treasury, to the appropriate committees that the International Monetary Fund has met the requirements of paragraph (2); and

(B) the Congress has enacted legislation approving the certification.

(2) REQUIREMENTS.—The requirements of this paragraph are that the International Monetary Fund has in effect policies that are designed to ensure the following:

(A) Within 3 months after any meeting of the Executive Board of the International Monetary Fund at which a Letter of Intent, a Policy Framework Paper, an Article IV economic review consultation with a member country, or a change in a general policy of the International Monetary Fund is discussed, a full written summary of the meeting shall be made available for public inspection, with the following information redacted:

(i) 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.

(ii) Market-sensitive information.

(iii) Proprietary information.

(B) Within 3 months after the Executive Board of the International Monetary Fund at which a Letter of Intent or a Policy Framework Paper is discussed, a copy of the Letter of Intent or Policy Framework Paper shall be made available for public inspection with the following information redacted:

(i) 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.

(ii) Market-sensitive information.

(iii) Proprietary information.

(C) Interest charges on loans to member countries shall be based on the International Monetary Fund's market-determined cost of financing, adjusted weekly, and loans from any facility established to address circumstances of exceptional balance of payments difficulties and impaired access to capital due to a sudden loss of market confidence should carry a substantial surcharge that serves to provide an incentive for early repayment and encourage private market refinancing, and that reflects risk.

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

SEC. 602. (a) IN GENERAL.—The Secretary of the Treasury shall submit to the appropriate committees 2 reports on the implementation of financial stabilization programs led by the International Monetary Fund in any country 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. A report shall include the following with respect to each such country:

(1) The extent that the country has made 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.

(2) The success of measures undertaken by the United States Government and the International Monetary Fund to ensure that the country will not provide Government-subsidized support or tax privileges to bail out

individual corporations, particularly in the semiconductor, steel, plywood, paper, and glassware industries.

(3) Whether International Monetary Fund involvement in labor market flexibility measures has had a negative effect on worker rights in the country, and the nature of any such negative effects.

(b) TIMING OF REPORTS.—The first report required by subsection (a) shall be due by December 1, 1998, and the second such report shall be due by May 1, 1999.

(c) NOTIFICATION OF IMPENDING DISBURSEMENTS.—Not later than 36 hours before the disbursement to a country with respect to which a report is required by subsection (a) of any resources from the stabilization fund referred to in subsection (a) in connection with the implementation of a financial stabilization program described in subsection (a), the Secretary of the Treasury shall notify the appropriate committees of the impending disbursement.

ADVISORY COMMISSION

SEC. 603. (a) IN GENERAL.—The Secretary of the Treasury shall establish an International Financial Institution Advisory Commission (in this section referred to as the ''Commission'').

(b) MEMBERSHIP.—The Commission shall include—

(1) 6 individuals appointed by the Congress, including at least 2 former Secretaries of the Treasury, 1 of whom shall serve as the chairman of the Commission; and

(2) not to exceed 2 members as designated by the Secretary.

(c) RECOMMENDATIONS.—Within 180 days after the appointment of Commission members, the Commission shall submit to the appropriate committees a report that contains the recommendations of the Commission regarding the future role and responsibilities of the International Monetary Fund and the International Bank for Reconstruction and Development, including changes to the policy goals set forth for the International Monetary Fund and the International Bank for Reconstruction and Development in the Bretton Woods Agreements Act and the International Financial Institutions Act.

(d) INTERNATIONAL ADVISORY COMMITTEE.—The Secretary of the Treasury shall instruct the United States Executive Director at the International Monetary Fund to use the voice and vote of the United States to seek the establishment of a permanent advisory committee to the Interim Committee of the Board of Governors of the International Monetary Fund, that is to consist of elected members of the national legislatures of the member countries directly represented by appointed members of the Executive Board of the International Monetary Fund.

DEFINITIONS

SEC. 604. For purposes of sections 601 through 603 of this chapter, the term ''appropriate committees'' means the Committees on Appropriations, Foreign Relations, and Banking, Housing, and Urban Affairs of the Senate and the Committees on Appropriations and Banking and Financial Services of the House of Representatives.

PARTICIPATION IN QUOTA INCREASE

SEC. 605. (a) IN GENERAL.—The Bretton Woods Agreements Act (22 U.S.C. 286–286mm) is amended by adding at the end the following:

''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.''.

(b) EFFECTIVENESS SUBJECT TO CERTIFICATION.—The amendment made by subsection (a) shall not take effect until the Secretary of the Treasury certifies to the Committee on Banking and Financial Services of the House of Representatives and the Committee on Foreign Relations of the Senate that the investors and banks have made a significant contribution in conjunction with a financing package that, in the context of an international financial crisis, might include taxpayer supported official financing.

NEW ARRANGEMENTS TO BORROW

SEC. 606. Section 17 of the Bretton Woods Agreements Act (22 U.S.C. 286e–2 et seq.) is amended—

(1) in subsection (a)—

(A) by striking ''and February 24, 1983'' and inserting ''February 24, 1983, and January 27, 1997''; and

(B) by striking ''4,250,000,000'' and inserting ''6,712,000,000'';

(2) in subsection (b), by striking ''4,250,000,000'' and inserting ''6,712,000,000''; and

(3) in subsection (d)—

(A) by inserting ''or the Decision of January 27, 1997,'' after ''February 24, 1983,''; and

(B) by inserting ''or the New Arrangements to Borrow, as applicable'' before the period at the end.

ADVOCACY OF POLICIES TO ENHANCE THE GENERAL EFFECTIVENESS OF THE INTERNATIONAL MONETARY FUND

SEC. 607. (a) IN GENERAL.—Title XV of the International Financial Institutions Act (22 U.S.C. 262o–262o-1) is amended by adding at the end the following:

''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.''.

(b) ADVISORY COMMITTEE ON IMF POLICY.—Section 1701 of such Act (22 U.S.C. 262p–5) is amended by adding at the end the following:

''(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.''.

SENSE OF THE CONGRESS ON THE ROLE OF JAPAN IN RESTORING REGIONAL AND GLOBAL ECONOMIC GROWTH

SEC. 608. It is the sense of the Congress that Japan should assume a greater regional leadership role, which would coincide with Japan's goal of promoting strong domestic demand-led growth and avoiding a significant increase in its external surplus with the United States and the countries of the Asia-Pacific region.

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

SEC. 609. Title XVII of the International Financial Institutions Act (22 U.S.C. 262r–262r-2) is amended by adding at the end the following:

''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 accepted 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).''.

REPORTS ON REFORMING THE ARCHITECTURE OF THE INTERNATIONAL FINANCIAL SYSTEM

SEC. 610. (a) FINDINGS.—The Congress finds that, in order to ensure that the International Monetary Fund does not become the global lender of last resort to private sector corporations and financial institutions, and in order to help prevent future threats to the international financial system, the Secretary of the Treasury and the Chairman of the Board of Governors of the Federal Reserve System, working with their counterparts in other countries and with international organizations as appropriate, should—

(1) seek to establish a broad set of international transparency principles on accounting and disclosure policies and practices covering, in particular, private sector financial organizations;

(2) promote improvements in the provision by both borrowers and lenders of timely and comprehensive aggregate information on cross-border financial stocks and flows;

(3) seek an international accord establishing uniform minimum standards with respect to robust banking and supervisory systems, which individual countries should be required to meet as a condition for the establishment of subsidiaries, branches, or other offices of banking institutions from their countries in the jurisdictions of the countries participating in the accord;

(4) immediately initiate with appropriate representatives of the countries that are members of the International Monetary Fund discussions aimed at securing national treatment for United States investors in such countries; and

(5) seek to establish internationally acceptable bankruptcy standards and should work particularly to have International Monetary Fund recipient countries adopt such standards.

(b) REPORTS.—

(1) IN GENERAL.—The Secretary of the Treasury shall prepare 3 reports on progress made toward achieving the objectives outlined in subsection (a), which shall describe the steps taken by the United States, other members of the world community, and the international financial institutions to strengthen safeguards in the global financial system, including measures to promote more efficient functioning of global markets, by—

(A) helping to develop effective legal and regulatory frameworks, including appropriate bankruptcy and foreclosure mechanisms;

(B) increasing transparency and disclosure by both the private and public sectors;

(C) strengthening prudential standards, both globally and in individual economies;

(D) improving domestic policy management;

(E) strengthening the role of the international financial institutions in financial crisis prevention and management; and

(F) ensuring appropriate burden-sharing by the private sector, particularly commercial banks and financial institutions, in the resolution of crises.

(2) TIMING.—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 2 interim reports on the matters described in paragraph (1), the first of which is due by October 1, 1998, and the second of which is due on April 1, 1999, and a final report on such matters, which is due on October 1, 1999.

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

SEC. 611. Title XVII of the International Financial Institutions Act (22 U.S.C. 262r–262r-2) is further amended by adding at the end the following:

''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.''.

AUDITS OF THE INTERNATIONAL MONETARY FUND

SEC. 612. Title XVII of the International Financial Institutions Act (22 U.S.C. 262r–262r-2) is further amended by adding at the end the following:

''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 conditions 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.''.

SHORT TITLE

SEC. 613. Sections 605 through 613 of this title may be cited as the ''International Monetary Fund Reform and Authorization Act of 1998''.

The CHAIRMAN. No amendment to the bill shall be in order except pro forma amendments for the purpose of debate, amendments printed in the

CONGRESSIONAL RECORD, and amendments printed in House Report 105–725.

The amendments printed in the report may be offered only by a Member designated in the report, shall be considered read, shall be debatable for the time specified in the report, equally divided and controlled by the proponent and an opponent, shall not be subject to amendment except as specified in the report, and shall not be subject to a demand for division of the question.

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

AMENDMENT NO. 5 OFFERED BY MR. WOLF

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

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 5 printed in House Report 105–725 offered by Mr. WOLF:

At the end of the bill, insert after the last section (preceding the short title) the following:

TITLE VII—ADDITIONAL GENERAL PROVISIONS

NATIONAL COMMISSION ON TERRORISM

SEC. 701. (a) ESTABLISHMENT OF NATIONAL COMMISSION ON TERRORISM.—

(1) ESTABLISHMENT.—There is established a national commission on terrorism to review counter-terrorism policies regarding the prevention and punishment of international acts of terrorism directed at the United States. The commission shall be known as ''The National Commission on Terrorism''.

(2) COMPOSITION.—The commission shall be composed of 15 members appointed as follows:

(A) Five members shall be appointed by the President from among officers or employees of the executive branch, private citizens of the United States, or both. Not more than 3 members selected by the President shall be members of the same political party.

(B) Five members shall be appointed by the Majority Leader of the Senate, in consultation with the Minority Leader of the Senate, from among members of the Senate, private citizens of the United States, or both. Not more than 3 of the members selected by the Majority Leader shall be members of the same political party and 3 members shall be members of the Senate.

(C) Five members shall be appointed by the Speaker of the House of Representatives, in consultation with the Minority Leader of the House of Representatives, from among members of the House of Representatives, private citizens of the United States, or both. Not more than 3 of the members selected by the Speaker shall be members of the same political party and 3 members shall be members of the House of Representatives.

(D) The appointments of the members of the commission should be made no later than 3 months after the date of the enactment of this Act.

(3) QUALIFICATIONS.—The members should have a knowledge and expertise in matters to be studied by the commission.

(4) CHAIRMAN.—The chairman of the commission shall be elected by the members of the commission.

(b) DUTIES.—

(1) IN GENERAL.—The commission shall consider issues relating to international terrorism directed at the United States as follows:

(A) Review the laws, regulations, policies, directives, and practices relating to counterterrorism in the prevention and punishment of international terrorism directed towards the United States.

(B) Assess the extent to which laws, regulations, policies, directives, and practices relating to counterterrorism have been effective in preventing or punishing international terrorism directed towards the United States. At a minimum, the assessment should include a review of the following:

(i) Evidence that terrorist organizations have established an infrastructure in the western hemisphere for the support and conduct of terrorist activities.

(ii) Executive branch efforts to coordinate counterterrorism activities among Federal, State, and local agencies and with other nations to determine the effectiveness of such coordination efforts.

(iii) Executive branch efforts to prevent the use of nuclear, biological, and chemical weapons by terrorists.

(C) Recommend changes to counterterrorism policy in preventing and punishing international terrorism directed toward the United States.

(2) REPORT.—Not later than 6 months after the date on which the Commission first meets, the Commission shall submit to the President and the Congress a final report of the findings and conclusions of the commission, together with any recommendations.

(c) ADMINISTRATIVE MATTERS.—

(1) MEETINGS.—

(A) The commission shall hold its first meeting on a date designated by the Speaker of the House which is not later than 30 days after the date on which all members have been appointed.

(B) After the first meeting, the commission shall meet upon the call of the chairman.

(C) A majority of the members of the commission shall constitute a quorum, but a lesser number may hold meetings.

(2) AUTHORITY OF INDIVIDUALS TO ACT FOR COMMISSION.—Any member or agent of the commission may, if authorized by the commission, take any action which the commission is authorized to take under this section.

(3) POWERS.—

(A) The commission may hold such hearings, sit and act at such times and places, take such testimony, and receive such evidence as the commission considers advisable to carry out its duties.

(B) The commission may secure directly from any agency of the Federal Government such information as the commission considers necessary to carry out its duties. Upon the request of the chairman of the commission, the head of a department or agency shall furnish the requested information expeditiously to the commission.

(C) The commission may use the United States mails in the same manner and under the same conditions as other departments and agencies of the Federal Government.

(4) PAY AND EXPENSES OF COMMISSION MEMBERS.—

(A) Subject to appropriations, each member of the commission who is not an employee of the government shall be paid at a rate not to exceed the daily equivalent of the annual rate of basic pay prescribed for level IV of the Executive Schedule under section 5315 of title 5, United States Code, for each day (including travel time) during which such member is engaged in performing the duties of the commission.

(B) Members and personnel for the commission may travel on aircraft, vehicles, or other conveyances of the Armed Forces of the United States when travel is necessary in the performance of a duty of the commission except when the cost of commercial transportation is less expensive.

(C) The members of the commission may be allowed travel expenses, including per diem in lieu of subsistence, at rates authorized for employees of agencies under subchapter I of chapter 57 of title 5, United States Code, while away from their homes or regular places of business in the performance of services for the commission.

(D)(i) A member of the commission who is an annuitant otherwise covered by section 8344 of 8468 of title 5, United States Code, by reason of membership on the commission shall not be subject to the provisions of such section with respect to membership on the commission.

(ii) A member of the commission who is a member or former member of a uniformed service shall not be subject to the provisions of subsections (b) and (c) of section 5532 of such title with respect to membership on the commission.

(5) STAFF AND ADMINISTRATIVE SUPPORT.—

(A) The chairman of the commission may, without regard to civil service laws and regulations, appoint and terminate an executive director and up to 3 additional staff members as necessary to enable the commission to perform its duties. The chairman of the commission may fix the compensation of the executive director and other personnel without regard to the provisions of chapter 51, and subchapter III of chapter 53, of title 5, United States Code, relating to classification of positions and General Schedule pay rates, except that the rate of pay may not exceed the maximum rate of pay for GS–15 under the General Schedule.

(B) Upon the request of the chairman of the commission, the head of any department or agency of the Federal Government may detail, without reimbursement, any personnel of the department or agency to the commission to assist in carrying out its duties. The detail of an employee shall be without interruption or loss of civil service status or privilege.

(d) TERMINATION OF COMMISSION.—The commission shall terminate 30 days after the date on which the commission submits a final report.

(e) FUNDING.—There are authorized to be appropriated such sums as may be necessary to carry out the provisions of this section.

The CHAIRMAN. Pursuant to House Resolution 542, the gentleman from Virginia (Mr. WOLF) and a Member opposed each will control 10 minutes.

The Chair recognizes the gentleman from Virginia (Mr. WOLF).

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

Mr. WOLF. Mr. Chairman, I will not use that time. I want to thank first of all the gentleman from Alabama (Mr. CALLAHAN), chairman, and the gentleman from New York (Mr. GILMAN), chairman, for their help and support. Also, I want to thank the staff for their help and support in shaping this amendment.

It would set up a national commission of 15 members on tourism to take a close look at the national counterterrorism policies and recommend if anything more should be done to deal with this issue, particularly nuclear, chemical, and biological.

This would be a bipartisan effort with the efforts that have taken place

in the bombings that have taken place both in Tanzania and Kenya, going all the way back to the Beirut Embassy in 1983 and the marine barracks of that year.

I think this would be a very healthy positive thing to do. It would take 6 months. By the time Congress was back early next year, hopefully this commission will have finished its work.

So I will not take any more time, but I know there are many other amendments that people want to offer and would just ask for support of this bill.

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

The CHAIRMAN. Does the gentlewoman from California (Ms. PELOSI) rise to claim the time in opposition to the gentleman's amendment?

Ms. PELOSI. Mr. Chairman, I would like to speak in favor of the amendment and I ask unanimous consent to claim the time in opposition.

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

There was no objection.

The CHAIRMAN. The Chair recognizes the gentlewoman from California (Ms. PELOSI) for 10 minutes.

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

Mr. Chairman, I am not opposed to the gentleman's resolution. I thank him for his leadership on this and am pleased to support the gentleman's legislation.

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

Ms. PELOSI. I am pleased to yield to the gentleman from Alabama.

Mr. CALLAHAN. Mr. Chairman, I rise in strong support of the amendment of the gentleman from Virginia to create this bipartisan commission on terrorism.

The idea is right on target and I am prepared to accept his amendment.

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

The CHAIRMAN. The question is on the amendment offered by the gentleman from Virginia (Mr. WOLF).

The amendment was agreed to.

AMENDMENT NO. 28 OFFERED BY MS. PELOSI

Ms. PELOSI. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment No. 28 offered by Ms. PELOSI:

On page 110, after line 15, insert:

UNITED STATES QUOTA IN THE INTERNATIONAL MONETARY FUND

For an increase in the United States quota in the International Monetary Fund, the dollar equivalent of 10,622,500,000 Special Drawing Rights, to remain available until expended.

Mr. CALLAHAN. Mr. Chairman, I reserve a point of order on the amendment of the gentlewoman from California (Ms. PELOSI).

The CHAIRMAN. The gentleman from Alabama (Mr. CALLAHAN) reserves a point of order.

Ms. PELOSI. Mr. Chairman, as I have said before, I believe that it is important for this body to have an opportunity to discuss the funding for the International Monetary Fund. I believe that the timing on it is appropriate.

It was one year ago that we stood here to talk about the IMF. The matter was tied to the international family planning issue, and, therefore, the funding did not occur but we were assured that this would probably take place in February. Then it was going to be in the spring and here we are one full year later.

Secretary Rubin wrote in July to Congress indicating that the IMF has only $7 billion to $12 billion in usable quota resources and its available credit lines have been reduced to $14.2 billion.

Recent GAO reports on this confirm the validity of the secretary's statement, and since Mr. Rubin's July letter, the matters have gotten worse.

I would remind Members again that we have needed this replenishment for one year. Since that time, the condition of the world markets has deteriorated drastically and we have recently seen the effects that are now being felt in our own financial markets.

That is my view. I also know that many of my colleagues have a different view about the IMF and I believe that as the world is being impacted by the Asian economic crisis, that it is appropriate for our House of Representatives to have a debate on this issue.

Replenishment of the IMF, in my view, has been critical to protecting our own economy. The fundamentals of our economy remain strong but I would point out to Members that U.S. exports to Asia have already declined by 20 percent, which amounts to a $22 billion loss to our economy on an annualized basis. Farmers have been especially hard hit.

The trade deficit is expected to skyrocket to the $250 billion to $300 billion range this year. We must not leave town without giving the administration the tools it needs to protect American workers, businesses and farmers.

The debate on IMF is focused primarily on the reforms necessary within the institution, the mistakes made in certain countries and blaming the institution for not anticipating the global crisis we are now in. I believe, as I said earlier, that we must subject the IMF practices to the harshest scrutiny: Moral hazard, conditionality, need for more transparency.

But as I said also before, the issue of contagion to our economy trumps all other concerns. We have a responsibility to the American worker.

With respect to individual countries, I would say that certainly in the case of Thailand and Korea, progress has been made and reforms continue to take place in their economies. Russia, of course, is a special case and we know that Indonesia is still suffering and trying to democratize. Whether each of these countries is included in the IMF replenishment funding, again should be a subject for debate for this floor.

Essentially, the IMF was taking a risk on the government and its reformist agenda in Russia and that subject is probably the most important issue we could be discussing here, with the possible exception of the legislation regarding North Korea that is in this bill.

In conclusion, I would say that I hope that the chairman will not sustain the point of order if indeed it is offered, because the effects to the American crisis have been felt, as I said before, by the American farmer and that should demonstrate to all of us that this is not a foreign give-away.

I remind my colleagues that this is not scored, this is not money that is an opportunity cost for us in the budget. This is money for which we receive a credit and a reserve when we put forth our funding.

It is a loan. This is not a grant in aid. It is not an opportunity cost. It is an opportunity for us. In any event, I am not speaking to persuade anyone one way or the other on the IMF. My point is that this issue should appropriately be debated on this floor, and I would hope that the point of order, if offered, would not be sustained.

The CHAIRMAN. Does the gentleman from Alabama (Mr. CALLAHAN) insist on his point of order?

Mr. CALLAHAN. Mr. Chairman, I still reserve my point of order.

The CHAIRMAN. The gentleman continues to reserve his point of order.

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

Mr. Chairman, I would like at this time to speak and explain the situation we are in today.

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Mr. Chairman, the comments that the gentlewoman from California (Ms. PELOSI) made certainly make a lot of sense. The complexity of the International Monetary Fund and the complexity of international finance, quite frankly, is far above the pay grade of the average Member of the U.S. House of Representatives. Yes, we try to learn as much as we possibly can about international finance. We have to rely upon the administrative branch of government to give us information to justify whether or not we will give the experts on foreign policy and the experts on the international monetary system the necessary monies.

Mr. Chairman, I would say to the gentlewoman from California, very likely they are correct. It is far above my pay grade, because my intellect level compared with the average Member of Congress is below average.

Ms. PELOSI. Mr. Chairman, I object.

Mr. CALLAHAN. I will first of all say that it is a very complex.

Mr. OBEY. Mr. Chairman, I demand the gentleman's words be taken down.

Ms. PELOSI. Mr. Chairman, the gentleman should not forget, he is my leader. He should not say those things about himself.

Mr. CALLAHAN. Mr. Chairman, very seriously, there are people on both

sides of this issue that I greatly respect. I respect George Shultz. I respect the gentlewoman from California. I respect a lot of people. But George Shultz says do not give them anything. I respect Bob Rubin and he says give them the entire 18 billion. And I respect Alan Greenspan. He says give them the 18 billion.

But I also respect the views of the people I represent and the Members of the U.S. House of Representatives who are questioning this. They are questioning whether or not we are doing the right thing under the circumstances in past history.

IMF has a good historical record with respect to monies being paid back. But we are reaching a stage of no return, a different type of global economy that is causing concerns to our constituents and they want to know why there is not more transparency. They want to know why we do not have more control over the activities of the International Monetary Fund, since we are putting in nearly 18 percent of their revenues. And they have requested that we instruct the International Monetary Fund to change directions of the past.

We are not sufficiently prepared today to address these very serious concerns. Maybe sometime during this process we will be, but there is not going to be any money appropriated by this House in addition to the $3.5 billion we have already given until such time as serious reforms are attached or serious assurances of reforms have indeed passed this body and through the conference.

I am willing to work with the gentlewoman from California. I know the importance of it. I do not want to do anything to disrupt our economy. I know that it does create some peril. I know that Russia is not a good example of what we do with International Monetary Fund financing. I know that Brazil might be in need in the next few weeks, whereby it will be justifiable. But at this time, I am not prepared to accept it and I am going to insist in a few minutes on my point of order.

The CHAIRMAN. The gentleman from Alabama (Mr. CALLAHAN) continues to reserve his point of order.

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

Mr. Chairman, I am truly sorry that Members were not allowed to offer amendments dealing with the IMF. I think the points made both by the gentleman from Alabama (Mr. CALLAHAN), chairman of the subcommittee, and by the gentlewoman from California (Ms. PELOSI), the ranking member, are absolutely the reasons why we should have had an opportunity to debate the funding level for the IMF.

Mr. Chairman, I also find myself in a lot of agreement with what the gentleman from Alabama has said. I also wanted to offer an amendment to deal with the questions of the IMF funding policies with respect to their negative impacts that they have had on environmental resources and protection. My amendment would have required the International Monetary Fund to review proposed loans for their environmental impact.

In 1989 and 1992, Congress passed laws telling the IMF to consider the environmental impacts of its policy. Unfortunately, IMF has not done so and the results have been disastrous in Indonesia and many other countries.

In many cases with the IMF, one of the solutions that they pose to these countries is to export their way out of their difficulties. Not only does this provide severe competition to American jobs and manufacturing, but in many instances it enhances the environmental degradation that takes place in many of these countries, because much of what they have to export are resources that are extractive in nature.

We have seen the disasters of the fires in Indonesia. We have seen the disasters in Guyana and other countries where they have rushed to export these materials without regard to the environmental impacts, and the same countries have later suffered environmental disasters as a result of those policies.

Specifically, my amendment would have required the IMF to establish an environmental review process on all proposed loans before implementation; require the IMF to take into account the cost of unsustainable natural resource use; require that IMF loan agreements do not reduce or undermine the country's environmental standards; and, require that environmental reviews be made available to the public.

This is consistent what this committee has done with respect to other international lending institutions. The gentlewoman from San Francisco (Ms. PELOSI) has been a very strong proponent of making sure that environmental impacts are part of the policies of the World Bank and other multilateral lending institutions, and the same ought to be true of the IMF.

There are many, many other reforms that the gentleman from Alabama has referred to that have caused our constituents a great deal of concern, and that is why I wish the Committee on Rules had made in order some 12 or 14 amendments that were being offered by individuals on both sides of this debate. Our constituents are watching this debate. They are concerned about the use of these resources, and they are concerned about the international economy as it affects the United States. We should be debating that on the floor of the House.

Unfortunately, we will not have that opportunity. I want to thank the gentleman from Alabama (Mr. CALLAHAN), the subcommittee chairman, for withholding on insisting upon his point of order, and I thank him for the opportunity to raise this issue to our colleagues.

The CHAIRMAN. Does the gentleman from Alabama (Mr. CALLAHAN) wish to make his point of order at this time?

Mr. CALLAHAN. Mr. Chairman, I continue to reserve my point of order.

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

(Mr. WELDON of Pennsylvania asked and was given permission to revise and extend his remarks.)

Mr. WELDON of Pennsylvania. Mr. Chairman, I was prepared to offer an amendment, but because I have sought the cooperation of the distinguished gentleman from Alabama (Chairman CALLAHAN) of the subcommittee, as well as the chairman of the full committee on this issue, I am pleased to stand today in the hopes of engaging in a colloquy regarding IMF funding to Russia.

Mr. Chairman, I stand in support of IMF funding replenishment for Russia. And I know that is not a popular decision to make. I do so with the same concerns that members of the Russian Duma, their Parliament, have in also at this time opposing IMF funding. Their concerns are that much of the dollars going into Russia through the World Bank and IMF, and in some cases U.S. funding, have gone into the black hole of some of the oligarchs in Moscow who have not used the money properly. In fact, the people in Russia are very concerned about having to pay back many of these loans.

But just 2 weeks ago, in fact the day the President left Moscow, I arrived. And as the chairman of the Inter-Parliamentary Commission on our side, along with the gentleman from Maryland (Mr. HOYER), I negotiated with the factions in the Russian Duma and came away with a set of eight principles. These eight principles, I think, are historic.

What they say that the Duma will pass, according to Speaker Seleznyov, are reforms that say reforms must come first. Besides reforms coming first, the regions that have made significant progress in terms of private property issues and stabilization of tax bases should be given consideration for international funding.

All programs should be aimed at developing a middle class. There should be a bilateral commission formed between the Congress and the Parliament to monitor every dollar of money going into Russia. The IMF should establish a blue ribbon international task force that should make recommendations to the IMF about reforming itself.

There should be a program designed by the Congress and the Duma to bring American corporate leaders to Russia to assist and advise Russian companies that are currently on the brink of bankruptcy.

Finally, that within 3 years we establish an initiative to bring up the 15,000 Russian students to American business schools to learn the ways of free market systems.

The Duma, in fact, will pass this. I am asking my colleagues on the conference to agree with this.

And I would like to at this time yield to the distinguished gentleman from

Alabama (Mr. CALLAHAN) the chairman of the subcommittee, to ask if he in fact would work with me in the conference process.

Mr. CALLAHAN. Mr. Chairman, I thank the gentleman for yielding to me. I do agree that the direction that he has taken is correct. I have reviewed the eight platforms of his suggested reform and certainly think this is the exact correct direction to move in. I certainly will do everything I can to instruct the committee, or to request the committee when we reach that stage, to implement many of the decisions.

I must forewarn the gentleman that the corrections and reforms that the gentleman has only deal with Russia, and there are serious concerns in this Congress and on the part of this Member about reforms for the entire International Monetary Fund program.

But, Mr. Chairman, the gentleman is moving in the right direction. I think this is exactly the right thing to do, and I am going to suggest that we review the eight platforms of his agreement with the Russian Duma and that we try to implement or to urge the International Monetary Fund, or at least urge the Secretary of the Treasury to insist that the International Monetary Fund recognize how important it is to include these two bodies.

Mr. WELDON of Pennsylvania. Mr. Chairman, reclaiming my time, I thank my friend and colleague and I also thank the distinguished gentleman from Louisiana (Mr. LIVINGSTON), chairman of the full Committee on Appropriations for the past advice and counsel he has given me in this area. And I thank the gentlewoman from California (Ms. PELOSI) for her cooperation and I look forward to working with her as well.

Ms. PELOSI. Mr. Chairman, if the gentleman would yield, I thank him and look forward to working with him.

The CHAIRMAN. The gentleman from Alabama (Mr. CALLAHAN) continues to reserve his point of order.

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

Mr. Chairman, I thank the gentleman from Alabama (Mr. CALLAHAN) for indulging another 5 minutes to give a little different perspective to this discussion today.

Before the Fourth of July recess, I stood behind the Speaker of the House and many other of my colleagues, including the chairman of the Committee on Agriculture, when we endorsed what we called a Square Deal for Agriculture, recognizing that one of the promises of the Freedom to Farm Act was to provide that we would do everything within our power in the House of Representatives to make sure that foreign markets would, in fact, be open.

We were promised that we would have a vote on the Square Deal and we have had two of those. The sanctions vote, and the normal trade relations with China have passed. We lack IMF and fast track.

Part of the deal was that we were going to vote on the floor of the House on both of these very controversial issues. Both of them; not one of them. It is my considered judgment today that this action on the part of the leadership of the House to deny a free up-or-down vote on the IMF is the death knell to the fast track vote next week. The fault will lie right squarely here in the House, because we once again have refused to have an open and honest debate on issues on which we have some disagreement.

The last colloquy made good, eminent sense to me. I think that is the kind of reasoned approach to many of these issues that we should be following, but it should not be misinterpreted to say that we can pick and choose these discussions in debate and pick and choose what we shall have debated openly and honestly, and still have the other decision that is so vital to agriculture, and that is fast track.

That is very controversial on my side of the aisle. There are just a few of us on this side that do support it, but there are enough of us that do support it. In fact, I have said with my one vote alone is enough to pass fast track next week if we bring it up.

But let me say this: By delaying IMF funding, we are playing with fire. We know this. Specifically speaking to agriculture, 40 percent of our agricultural exports now go to emerging markets. What is happening in those emerging markets is seriously affecting agriculture in the United States.

We have the worst economic conditions in rural America since the Depression. I ask every one of my colleagues here, if they take their average wage and that of their constituents for the last 5 years and reduce it by 30 percent this year, what would the economic conditions be in their family? That is what we are, in fact, facing.

IMF is critical for so many agricultural programs. Sure, there are warts, and I really appreciate and I sincerely accept what the gentleman from Alabama has said, as well as the chairman of the full committee, regarding this question. But when the House is burning, it is not the time to debate what color the fire truck shall be.

The financial crisis could spread. We have been eminently warned by no less than Alan Greenspan, chairman of the Federal Reserve; by the Treasurer of the United States, Mr. Rubin, who I believe has great confidence on both sides of the aisle. And yet, once again, we are playing politics with two extremely important issues.

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IMF is critical to USDA export credit programs, liberalization of agricultural markets. There are a lot of successes. There have been some problems with IMF. I readily agree to that. But there have also been some successes.

IMF has helped U.S. farmers and ranchers by using the IMF rescue packages to reach agreements requiring the countries receiving aid to liberalize trade to the benefit of US agriculture.

Korea has streamlined import certification and just last week announced further reductions in trade barriers on 32 imported products, including wheat and fertilizer. Indonesia is reforming its State Trading Enterprise. Thailand is adopting harmonized import licensing procedures and establishing more transparent customs valuation procedures.

Yes, there are problems but, yes, there are also good things happening. What I am worried about now is we have once again reneged, that is the word we use back home in Texas, we reneged on an agreement. That is troubling because that is not what the House Committee on Agriculture, both sides of the aisle, understood. We understood that we were, in fact, going to have an open and honest debate on IMF and let the will of the House speak and then have an open and honest debate on fast track and let the will of the House speak. And by this action today of denying an opportunity for this free and open debate, we have, in my opinion, served a giant nail in the coffin of not only IMF but also fast track next week.

The CHAIRMAN. The gentleman from Alabama (Mr. CALLAHAN) continues to reserve his point of order.

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

Mr. Chairman, I heard the somewhat vitriolic outcry from my friend from Texas about the failure of including the entire amount of IMF in this bill, but the fact is, I do not think he quite understands what is in this bill. There is funding of $3.4 billion for IMF in this bill. There are conditions to make the IMF more responsive in this bill. There is authorization for the full $18 billion in this bill. The Senate, the other body, has included the entire funding.

Before this process is over, either all of IMF could be in, part of IMF could be in, or some of IMF could be in. The process is not over.

I am curious about the gentleman's statement that the failure to include the entire amount of IMF in this bill means that fast track is dead. It occurs to me that fast track was on this floor one year ago and the minority party voted overwhelmingly against fast track.

If the gentleman would like me to yield to him, I would be happy to yield to him, I would like him to tell me why the minority, if it is so important that we pass IMF in order to get to fast track, why most of the minority Members voted against fast track last time and, when we bring it up next week, is likely to vote against it again?

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

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

Mr. STENHOLM. If memory serves me correctly, Mr. Chairman, we did not

vote last year. I have expressed publicly and I will say again to the gentleman in all sincerity, had the leadership of the House chosen to bring it to a vote, we would have passed it with the required number of votes on both sides of the aisle to get 218 votes, but, once again, for some reason, we chose not to allow the will of the people's elective body to express themselves. We did not vote, Mr. Chairman.

Mr. LIVINGSTON. Reclaiming my time, Mr. Chairman, the gentleman is correct, we did not vote for fear that there were not sufficient votes and it was deemed to be an embarrassment to the President for his own party to vote against it. So he is right.

If we bring up fast track next week, and it is my sincere hope that we will, I hope that the gentleman will work with Members of his party so that we will have sufficient votes to vote for fast track and that that will cease to be an issue.

With respect to IMF, I am sure that the gentleman will have an opportunity to vote on IMF beyond what that which is already in this bill.

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

Mr. Chairman, I think the remarks of our distinguished committee chairman have really revealed what the situation is here today, because he has granted that these funds are authorized. And I would simply say that the only thing that is holding this up, in my view, is that the majority party continues to try to exercise political leverage on the White House to obtain certain things they want, running the risk that our position in the world economy is going to become a whole lot shakier than it is today.

We have heard many criticisms about the IMF and certainly many Members on this side of the aisle have made many criticisms, including myself. I recognize that the IMF is not sufficient today to deal with our international economic challenges. The IMF was created in a world of fixed exchange rates. Today we do not have fixed exchange rates. The IMF was created at a time when we had much smaller private capital flows than we have today. Today private capital flows when somebody punches a computer button that can overwhelm the IMF in many, many parts of the world.

But we have seen the world when we did not have the IMF. We did not have the IMF in the 1930s. And in the 1930s, when we had first an Austrian banking collapse, followed in turn by a collapse of the currency in Germany. And when the markets were then in turn destroyed in Britain, and that chaos came across the water and engulfed the United States, we had the greatest depression in modern history.

All that happened because of that is that Adolf Hitler came to power, over 50 million people died in the world, and that is why the ''Wise Men,'' as they were known after the end of World War II, created institutions such as the international financial institutions and the IMF so that we would have some ability to stabilize economic relationships between countries, so we would not have the conditions repeat themselves that led to the political instability that led to the military actions that led to the human devastation that we saw in that period in our history.

At this point, imperfect though the IMF is, it is the only instrument we have to try to recognize the fact that currencies have collapsed in Asia, that our export markets for agriculture and other products have collapsed. That has, in turn, helped create greater instability in the Soviet Union. We have seen great uncertainty in Latin American markets. How long do Members of this House think we can survive as an island of economic success in a world of economic chaos? The answer is, not very long.

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

Mr. OBEY. I yield to the gentleman from Louisiana.

Mr. LIVINGSTON. Mr. Chairman, I appreciate my friend yielding to me. I want to tell him that I concede most of the points that he has made. I agree with him and for many of the same reasons. I may ultimately support the IMF. But the question is, which comes first, the chicken or the egg?

The fact is world instability was not created because this last tranche of U.S. participation in the IMF has been withheld this last year. And as the gentleman well knows, the day we reported this bill in full committee, the Los Angeles Times had a front page article about Anatoly Chubais, former economic guru of Russia, who said, we conned the IMF and the United States out of $20 billion. He used the words, we conned, we managed to scam them to give us the money so that we could sustain our failing system.

It is not the IMF's fault that Russia system is failing. I think we, as stewards of the American taxpayers' money, owe it to them not to allow anybody to con us and throw our money down a rat hole.

Mr. Chairman, I include for the RECORD the article to which I referred:

[From the Los Angeles Times, 1998]

RUSSIA LIED TO OBTAIN LOANS, A CHIEF AIDE TO YELTSIN SAYS

(By Richard C. Paddock)

MOSCOW—A key architect of Russia's economic transformation said in a published interview Tuesday that Russia ''conned'' the international community out of nearly $20 billion in loans by lying about the severity of the country's fiscal problems.

Anatoly B. Chubais, who in July negotiated a $4.8-billion loan from the International Monetary Fund, said in an interview in Kommersant Daily that it was necessary and appropriate for Russia to lie in order to obtain infusions of cash.

If the government had told the truth, the longtime advisor to President Boris N. Yeltsin said in the interview, Russia's economy would have collapsed last spring and global lenders ''would have stopped dealing with us forever.''

Asked if the Russian government has the right to lie about the country's fiscal instability, Chubais replied: ''In such situations, the authorities have to do it. We ought to. The financial institutions understand, despite the fact that we conned them out of $20 billion, that we had no other way out.''

Chubais' comments came as Russia is searching for a solution to the economic crisis that has paralyzed commerce, pushed banks to the verge of bankruptcy and sent the currency, the ruble, plunging in value almost daily to record lows.

Triggered by the devaluation of the ruble on Aug. 17, the economic collapse has sparked a political crisis that has left the country without a functioning government for more than two weeks. Yeltsin, twice unable to win parliamentary confirmation of his nominee for prime minister, Viktor S. Chernomyrdin, met with advisors Tuesday but did not name a candidate for the post.

Some Russian officials say that obtaining more foreign aid would be the best way to halt the economic slide. The IMF is scheduled to release another $4.3-billion loan next week, but the payment is in doubt because of Russia's inability to enact austerity measures and its decision to devalue the ruble and freeze payments on short-term government debt.

Chubais' statements to the respected business newspaper were especially startling because he has been widely viewed as one of Russia's ''young reformers,'' who could be trusted by the West because he favored establishing a market economy.

He has served Yeltsin in numerous capacities, including privatization chief, presidential chief of staff, deputy prime minister, campaign manager and, most recently, special envoy to Western lending institutions.

During the years Chubias and his fellow free-market advocates have been in power, privatization has resulted in a handful of tycoons seizing control of the country's major industries while millions of workers and pensioners go for months at a time without being paid.

Chubais is chief executive of the state-owned electricity monopoly Unified Energy Systems.

This summer, as Russia's economic woes mounted, Chubais played a crucial role in winning a pledge of $22.6-billion in loans from the IMF, the World Bank and Japan.

The lenders insisted that Russia make serious changes in the management of its government and the economy, including improving tax collection and slashing spending.

But Russia's desperate need for cash led the IMF in July to release the $4.8-billion loan negotiated by Chubais, although Russia had not met the loan conditions. Earlier, the IMF had loaned Russia $14.3 billion.

In Washington, spokesmen for the IMF and the World Bank declined Tuesday to discuss Chubais' statements because they had not read the interview, ''I haven't seen the article, so it would be irresponsible for me to comment.'' World Bank spokesman Klas Bergman said.

Andrei V. Trapeznikov, a spokesman for Chubais, tried to put the best spin on the Kommersant interview but did not contest any of the quotations. In fact, he said, Chubais was given a copy of the text before it was published and did not question they way in which he was quoted.

''I think this passage should not be interpreted as malicious intent,'' Trapeznikov said. ''There was no ill intent on the part of Russia to cheat the IMF out of its money.''

In the interview, Chubais used the Russian slang word kinuli, which means ''we cheated,'' Trapeznikov said it was a harsher word than what Chubais really meant.

''What works for a Russian audience sounds very rough in English,'' he said. ''I think that Antoly Borisovich [Chubais] used

a wrong word in this context and did not express himself very clearly.''

At another point in the Kommersant interview, Chubais defended Yeltsin's statement just days before the government devalued the ruble that it would never do so.

''One can keep lashing out at the president to one's heart's content for having said there would be no devaluation, but this was the very thing that should have been said,'' Chubais told the newspaper. ''Any politician in sound mind will tell you this is the only way, unfortunately, that authorities should behave in such extreme situations.''

Mr. OBEY. Reclaiming my time, I would simply make one observation. Obviously, I agree with the gentleman's concern about that. I am extremely unhappy about that. But I ask the gentleman to remember the advice that we have had from Alan Greenspan and from virtually every other person with major responsibilities in running our economy. They have all urged us to pass this.

The CHAIRMAN. The time of the gentleman from Wisconsin (Mr. OBEY) has expired.

(By unanimous consent, Mr. OBEY was allowed to proceed for 3 additional minutes.)

Mr. OBEY. Mr. Chairman, I will make one additional point. In Russia, within a period of three months, people have lost 85 percent of the value of their investments, 85 percent of the value of the stock market. If that had happened in this country today, we would be in the midst of a revolution. It is a minor miracle that they are not. They have a few thousand nuclear weapons which can very easily be pointed at us. I would suggest to everyone who cares about the subject that the very fact that we have such chaos in Russia is an argument for strengthening, not denying, resources to the only instrument we have left to prevent that kind of chaos.

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

Mr. OBEY. I yield to the gentleman from New York.

Mr. HINCHEY. Mr. Chairman, I thank the gentleman for yielding to me. I think that he has made the points extremely well. I would just add that it is becoming increasingly clear, in spite of all the work that has gone into this bill, and we appreciate the difficulty in balancing all of the things that have to be done, the bill remains an inadequate instrument to deal with the economic problems confronting us in the global community.

If we fail to recognize that, we do so at our peril. We are already beginning to see the impacts of the economic crisis in East Asia in the deflation that is sweeping across that part of the world. Just a week ago, representatives from the steel industry were here in the Capitol pleading with this government and the White House to do something about the fact that steel was being dumped on our marketplace from East Asia at prices below production cost.

We heard just a few moments ago about the tragedy that is beginning to unfold in the agricultural community of this country. All across the farm belt agriculturalists lists are in dire circumstances. Why? For a number of reasons, principal among them is the fact that their markets are beginning to dry up. Not that we have that many markets in the Far East, but the Australians do and the Australian market for grain has dried up in the Far East. And they are now moving into our markets, as are the Canadians.

And the result of that is that prices are dropping all around the world for agricultural commodities and our farmers are suffering. They are going to continue to suffer. If we fail to fund the IMF at the appropriate level so that that agency is able to step in and begin to stabilize the currencies and economies of these countries, the repercussions are going to redound on this North American continent next year. We will reap the whirlwind for our failure to act.

We need to get this bill out on the floor. We need a full and comprehensive debate on the International Monetary Fund. Yes, we recognize it is an inadequate instrument itself, but it is the only one we have, as the minority leader of the Committee on Appropriations said so many times.

The CHAIRMAN. The time of the gentleman from Wisconsin (Mr. OBEY) has again expired.

(On request of Mr. HINCHEY, and by unanimous consent, Mr. OBEY was allowed to proceed for 2 additional minutes.)

Mr. HINCHEY. Mr. Chairman, if the gentleman will continue to yield, I thank the chairman of the subcommittee for his forbearance in allowing this discussion to take place. I this he does so because he recognizes the importance of it. He may not be yet convinced of the arguments that are being presented on this side of the aisle, but to his credit and to the credit of the chairman of the committee, they recognize that there is validity to these arguments.

We are in now a very perilous period in our history. So I just beg my colleagues, please give reconsideration to this decision to prevent an adequate discussion of this. Please give reconsideration to the decision not to fund the IMF. It is desperately essential that we do so.

Mr. OBEY. Mr. Chairman, I would simply like to say that we just heard the committee chairman say, ''Look, I may vote with you at some point.'' In fact, I have heard them say, ''We probably will vote with you at some point.''

The problem is, that is what we have been hearing for a year. Every time we bring this up, we are in essence told, well, you may be right, but this is not the right time.

It is long since past the right time. We need to end the leverage or the efforts at seeking political leverage. We need to end the debate. We need to end the delay. We need to get about the business of doing the best we can to stabilize the world's economic system before it costs our constituents jobs.

The CHAIRMAN. The time of the gentleman from Wisconsin (Mr. OBEY) has again expired.

(On request of Mr. CALLAHAN, and by unanimous consent, Mr. OBEY was allowed to proceed for 3 additional minutes.)

Mr. CALLAHAN. Mr. Chairman, I continue to reserve my point of order.

Mr. Chairman, will the gentleman yield?

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

□ 1515

Mr. CALLAHAN. I thank the gentleman for yielding to me, and I just want to say that we can debate this all afternoon, and I have been as tolerant as I possibly can be, but we have a lot of other important issues that we need to talk about today. Ultimately, I am very optimistic that the Chair is going to rule favorably upon my point of order.

What the gentleman is saying is not taken lightly. The gentleman does have validity to his argument, as we have validity to ours. To just give them the keys to the car at this time, without some instruction, is a very serious mistake.

We are entering a different global economy. Global economy is something relatively new. It is relatively poorly understood. But when we look at the future and see the problems that are going to be taking place in Brazil, and in our own hemisphere that could more directly impact our economy, and when we look at the new Eurodollar and we try to look into the future to see what happens if the Eurodollar fails and then the IMF has to bail out the entire European Community, we are talking about $50 billion possibly in new needs.

So, yes, the gentleman's arguments are right. I think that we should possibly look at it. I do not think we ought to look at it at this time. And, as a result, I have not been pressured by leadership to do anything. This is my bill. It was a bill written by myself and my staff, confirmed by the gentleman and his staff, confirmed by the entire full committee, and, as a result, it is the best we are going to do today.

Mr. OBEY. If the gentleman would let me reclaim my time to make one observation, I would point out today that the stock market is down again by a huge amount. We are in the midst of incredible political and economic uncertainty around the world. This Congress should not do anything that adds to that uncertainty, creates additional shakiness in the markets and creates more opportunity for people to lose their hard-earned investments because we have lagged in meeting our responsibilities. That is what has happened.

Mr. CALLAHAN. If the gentleman will continue to yield, we can use all types of comparisons, but while we were debating this in committee, the stock market was down, tremendously

down, and during the period of time we debated it in committee, the stock market actually came up about 70 points.

Mr. OBEY. It still dropped a huge amount that day. And I would simply say this Congress has a responsibility to take any action necessary to try to stabilize the situation rather than continuing to contribute to its destabilization.

Mr. CALLAHAN. I agree.

Mr. Chairman, I reserve my point of order. I insist on my point of order which I have made against the amendment.

The CHAIRMAN. The gentleman from Alabama continues to reserve his point order or insists on his point of order?

Mr. CALLAHAN. I will continue to reserve for a few more minutes.

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

This is a bit ironic. This issue is of such import that we could debate it for about an hour, but under the reservation of a right to object rather than debate it for an hour via an amendment that would actually appropriate the monies. We should have been proceeding in that fashion, with an amendment, so that this body could have taken a vote on the issue.

I am in my 12th term in Congress, and in my entire adult lifetime I do not recall an occasion when the world economy has been more fragile. It seems to be falling apart in Asia. That should have been a signal, as it was to the administration, as it was to our central bank, for the United States to step in with the other nations of the world and authorize and appropriate our fair share of the IMF contribution. But the House of Representatives' leadership opted to play Russian roulette with the situation and see what would happen.

Well, I do not know that we could say that, because of that fact alone, we saw the difficulties in Russia, but we certainly saw the Asian contagion spread to Russia, and it has now spread to Latin America. We have had considerable difficulties in Brazilia. And we do not know where it is going to end, or if it is going to end.

We do not know what would happen if the Chinese were to devalue their currency and the repercussions that that would create, not just in Asia but globally.

We do know this: that Alan Greenspan has said the United States cannot long stand as an oasis of prosperity; that this fragile global economic situation can have, in the very near future, a profound impact on the United States.

We also know this: that this body, this Congress, is scheduled to recess October 9. It would be unthinkable if we were to recess on October 9 and not have in place the only international architecture, the only international financial mechanism that exists in the world to deal with this situation, without adequate resources and with the United States having defaulted on its leadership.

The executive branch has stepped up to the plate. The United States Senate, our other body, has stepped up to the plate and they have passed authorization and appropriations legislation twice in an overwhelming bipartisan fashion. The House Committee on Banking and Financial Services has stepped up to the plate. In a bipartisan manner, we began consideration of this in January and in a matter of weeks reported out a bill, with every Democrat supporting the authorization and a considerable majority of the Republicans. So we reported it out by a vote of 40 to 9. Forty to 9.

How shameful, therefore, that the present House leadership has not even permitted us the opportunity to bring this issue to the floor so that we can appropriate the full amount that the United States has committed itself to.

The United States defaulted by not joining the League of Nations. I think that was a huge mistake. If the United States did not participate in the United Nations, that would be a huge mistake, particularly because of the military requirements of the United Nations. We now have not a military situation but an economic difficulty, and it would be calamitous if the United States withdrew, in effect, in fact, from the only international mechanism that exists today to deal with this global economic crisis.

I implore this House leadership to let us consider and vote on full authorization and full appropriations before we recess.

Mr. CALLAHAN. Mr. Chairman, I continue to reserve a point of order. I will allow some rebuttal, with one speaker on our side, before I insist on my point of order.

Mr. SANFORD. Mr. Chairman, I move to strike the requisite number of words, and I would just rise in support of what the chairman has been saying here.

I think what he is talking about in his point of order is something that ultimately watches out for the American taxpayer. And lest we forget, this body is designed and built for ultimately watching out for the taxpayer of the United States of America. I think that is exactly what his point of order does.

I would just make this one point, and that is, I have here a rate sheet from Goldman Sachs, which is the place where Robert Rubin, our Secretary of the Treasury, used to work and used to head, and this could be found not just at Goldman Sachs, it could be found at Merrill Lynch or any of the investment banks, looking at the rates which the private markets are charging for government debt in Russia.

I have here rates looking at 2001 paper yielding 32.31 percent. I would look at 2005 paper yielding 52.63 percent. I would look at 2015 paper yielding 65.43 percent.

And what those high rates are basically saying is that the marketplace out there asks for a risk premium, in this case a very substantial risk premium, because the private markets think that they ultimately might not get paid back.

So what this point of order is simply doing is saying since we might not get paid back, we ought to watch out for the taxpayer rather than just handing out the IMF money.

The July piece of debt that was issued by the IMF was at 4.5 percent. Can my colleagues imagine how giant that spread is, between 30, 40 or 50 percent interest rate, and where the IMF was? If we want to help shore up Russia and say we ought to just issue grants, issue aid to Russia, that is one thing. But do not call a loan a loan when, in essence, it is not a loan, because that is exactly what we are talking about. And that is what that point of order is all about.

Mr. CALLAHAN. Mr. Chairman, I hate to do this. I have tried to be extremely fair to all Members on all issues, but we have a limited amount of time to debate this entire bill and, unless the gentlewoman, the ranking member of our subcommittee, is requesting time before my insisting on the point of order, I am going to now insist.

PARLIAMENTARY INQUIRY

Ms. PELOSI. Mr. Chairman, I have a point of parliamentary inquiry.

It is my understanding, Mr. Chairman, that if the chairman insists on his point of order, then I will, as the maker of the amendment, have the opportunity to address the point of order, as will my colleagues?

The CHAIRMAN. The Chair has discretion to hear discussion and argument on the point of order and intends to limit debate on the point of order.

Ms. PELOSI. I thank the Chair.

Mr. CALLAHAN. Mr. Chairman, I ask unanimous consent that the gentlewoman from California (Ms. PELOSI) be granted 10 minutes of time, which she can allocate to any person she deems fit.

The CHAIRMAN. The gentleman continues to reserve his point of order, and the gentleman is asking unanimous consent that the gentlewoman from California (Ms. PELOSI) shall be allowed to speak for 10 additional minutes.

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

There was no objection.

The CHAIRMAN. The gentlewoman from California (Ms. PELOSI) is recognized for 10 additional minutes.

Ms. PELOSI. Mr. Chairman, I yield myself such time as I may consume to thank the distinguished chairman of the committee for his courtesy, which seems to be boundless.

Mr. Chairman, I yield 2 minutes to the gentleman from Texas (Mr. BENTSEN).

Mr. BENTSEN. Mr. Chairman, I thank the gentlewoman for yielding me this time, and I look forward to the

day when I grow up and can speak for 5 minutes in the full House.

Mr. Chairman, I appreciate the position of the gentleman from Alabama on this. I do not think, quite frankly, his party has a position or our party has a position. I think there are several positions floating around, which is one of the reasons this should be debated. There are Members on the gentleman's side who realize recapitalizing the IMF is the right thing, and there are Members on our side who are totally against it.

The fact is, the same arguments that apply to the IMF apply to fast track. And the reason is that we live in a world economy and we cannot isolate ourselves. For those of us, like myself, who believe in fast track and who believe in free trade, we also believe we need to deal with the economic crisis.

Now, like my colleague from South Carolina who spoke before, who worked on Wall Street at one point in time, as I did, I think we both understand that markets operate based on both fundamentals and confidence. And the problem that exists today, and has grown more prevalent, is that confidence in the world markets has been lost, and that is what we are seeing. That is why we are seeing the contagion spread.

If we do not step in and address this problem with the IMF, and, yes, it is not perfect, there is no perfect world body to deal with this, but it is the only one we have at the time. We cannot allow the situation to get out of control.

I think it is important that Members understand that what we are talking about here are loans, because this is the lender of last resort, not grants.

□ 1530

I think it is also important that we understand what is going on. In our own area of the world, we are seeing an oil crisis occur because of the lack of demand for oil in the Asian market, and that is spreading throughout Latin America.

Finally, I would just say this. We have had a year to look at this since this debate first started, and the leadership on the other side who I know is split on this question said, ''We're going to look at this. We're going to come up with a better way to do it.'' The time is up. It is time to deal with this problem. We have lost all the gains in the stock exchange for the year. We are starting to see a decline in the American economy as a result and in the growth rate of the U.S. economy and an increase of imports over the last year because we have not done our work. We have not done a whole lot in this Congress this year and now we are running out of time and we are going to let everything go away because of it. That is a mistake.

I think we ought to bring this issue to the floor for the debate. It will be a bipartisan group for it and a bipartisan group against it, but in my opinion, just like fast track, it is the right thing to do. Members should be ashamed of themselves for not allowing this to come to the floor. I appreciate the gentlewoman from California for having the courage to bring this up.

Ms. PELOSI. I thank the gentleman for his leadership and for his fine statement.

Mr. Chairman, I yield 2 minutes to the gentlewoman from California (Ms. ESHOO) who has been a leader on this issue in the Congress.

Ms. ESHOO. Mr. Chairman, I thank my distinguished colleague, the ranking member of the committee, for her leadership on this issue. I rise today in the hope that the gentleman, the distinguished subcommittee chairman, will not insist on his point of order and also, of course, in support of the Pelosi amendment to add the $14.5 billion to the foreign ops appropriations bill and fully fund the IMF.

I think that together we can inoculate the global economic system with the infusion of the $14.5 billion in this bill. I say that because, number one, America's economic interests are tied to this. When we talk about the American taxpayer, we are also talking about the American investor. The American investor through its 401(k)s and many other vehicles invests in foreign economies. We see not only an Asia flu but something that is becoming contagious in many places around the world. We speak with pride about a global economy, but when it comes to the crisis, we are not willing to fill the needle and give the inoculation that is needed.

I plead with my colleagues on both sides of the aisle to support this, because this is not only in America's interest, in the taxpayers' interests, in the investors' interests, but in the interest of stabilizing a global economy which America the great has a huge investment and interest in.

Ms. PELOSI. Mr. Chairman, I yield 1 minute to the gentlewoman from New York (Mrs. MALONEY) who again represents a great financial center of commerce in our country and understands this issue full well.

Mrs. MALONEY of New York. Mr. Chairman, I rise in support of the Pelosi amendment and funding for the International Monetary Fund. With the world situation the way it is, this is no time for the United States to abandon and pull out of international organizations. I fully support Chairman Greenspan, Secretary Rubin and the Administration, all of whom support funding for the International Monetary Fund because it is in the economic interest of the United States. We live in a world economy. It would be a terrible signal to the world if we suddenly decided we wanted to destroy this international organization by withholding funding. The signal we should be sending from the United States is that we support this international organization and that we do not want to abandon ship during a time of crisis that is important not only to the world economic situation but to the economy of the United States. We should debate it and vote on it.

I support the Pelosi amendment.

Ms. PELOSI. I thank the gentlewoman for her remarks.

Mr. Chairman, I yield 1 minute to the gentleman from Illinois (Mr. JACKSON) a person who has been a leader for us on these issues and has a balanced view.

Mr. JACKSON of Illinois. Mr. Chairman, I thank the gentlewoman for yielding time, and I want to thank the chairman of the full committee for his indulgence. I rise in strong support of the Pelosi amendment. I would encourage this Congress to move as quickly as it possibly can to fully replenish the International Monetary Fund.

I was here when the chairman of the full committee the gentleman from Louisiana (Mr. LIVINGSTON) indicated that indeed the Russians had suggested, or a Russian had suggested that they conned the International Monetary Fund out of $20 billion. But we now know that when Mr. Greenspan came before the full Banking Committee yesterday and asked for this Congress to replenish the International Monetary Fund to the tune of $18 billion that the chairman of the Federal Reserve Board was not conning us yesterday. He recognizes that there are indeed turbulent roads in our economy on the horizon and it is very important that this Congress react with due haste and due speed to make indeed the necessary appropriations. Let us not just measure what is taking place in financial terms. Let us also measure what is taking place in human terms.

Indonesia was on the brink of Civil War because, in part, of this Congress' inability to act. We need to save our own economy but the world as well.

Ms. PELOSI. Mr. Chairman, I yield 2 minutes to the gentleman from Virginia (Mr. MORAN) who is a true internationalist and understands the interrelationship of our economies.

Mr. MORAN of Virginia. Mr. Chairman, I am very grateful to the very distinguished ranking member of the Subcommittee on Foreign Operations of the Committee on Appropriations as I am to the generosity of the chair of that committee. I rise in support of the Pelosi amendment.

Our economy is doing well right now, but as Alan Greenspan said, we cannot forever be an oasis of prosperity. A full 30 percent of our economy is tied to international trade. For better or worse, we are the leader of the world economy. Much of that economy, particularly Russia, Asia and now Latin America is in trouble. If the IMF lacks the funds to stabilize foreign currencies and markets, there will be no market for that one-third of our products and services, we sell overseas and they will be in such a desperate position they are going to be dumping their products on our market, causing serious economic disruption. Our inventories will build, grain elevators will

fill and factories will go idle as workers are furloughed or laid off. These economic and strategic concerns are of paramount importance for the Congress to debate. And so it is wrong for the leadership to refuse to permit the full House to consider the IMF bill that passed the House Banking Committee by a vote of 40–9.

The IMF is not some part of a rogue international conspiracy. It is an institution born of the ashes of World War II, born by the United States and the people who formed this strong economy throughout the civilized world. The reason why the international economy is as strong today is because we started things like the International Monetary Fund after World War II to make sure we did not go through another Great Depression that formed the basis of World War II. We can never repeat these mistakes. We have to learn from these mistakes.

The IMF is critically important. Sure there are reforms that need to be made, but that does not mean that the IMF is not essential to the productivity and to the economic stability, to the jobs and to the well-being of all American citizens.

We ought to be debating it. We ought to pass it. We ought to restore funding immediately to the International Monetary Fund.

Ms. PELOSI. Mr. Chairman, I yield 1 minute to the gentlewoman from New York (Mrs. LOWEY) a member of the Subcommittee on Foreign Operations of the Committee on Appropriations and a person who understands this issue full well. She, too, represents a center of commerce and understands the IMF.

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

Mrs. LOWEY. Mr. Chairman, I rise in strong support of funding for the International Monetary Fund. This is one of the most important issues facing this body. The ongoing economic turmoil in Asia and Russia is having a very serious impact on Wall Street and other markets around the world. We must provide the IMF with the resources it needs to respond to the economic insecurity in Asia and Russia as it promotes badly needed reforms in those economies.

The leadership in my judgment is playing a very dangerous political game by not allowing a vote on this issue today. The global economic crisis demands immediate leadership, not political gamesmanship.

The IMF's resources are at a dangerously low level, jeopardizing its ability to perform its basic mission and respond effectively if the economic crisis deepens or spreads to even more markets.

The $18 billion requested for U.S. commitments can leverage about $75 billion in usable global commitments from the IMF's 181 members. This degree of burdensharing would provide the IMF with sufficient resources to sustain its operations well into the next decade and would reduce the possibility that the United States will be forced to bear a disproportionate share of the financing in any future financial crisis.

Ms. PELOSI. I thank the gentlewoman for her leadership on this issue and for her fine statement.

Mr. Chairman, I yield myself the balance of my time. I urge the gentleman not to insist on his point of order. I call this action of not allowing us to have a full debate on the IMF and a vote on the IMF the stop-the-world-I-want-to-get-off approach. We have to understand the interrelationship of our economies. We have to debate pro and con the approaches we would take. This House should take responsibility for the $14.5 billion we wanted added.

The gentleman from Louisiana (Mr. LIVINGSTON) has stated that IMF is authorized in this bill so the point of order on the basis of authorization is not legitimate. The reforms that the gentleman from Alabama suggested, were a part of an amendment that I offered in committee which failed and which the Committee on Rules rejected last night.

POINT OF ORDER

Mr. CALLAHAN. Mr. Chairman, I make a point of order against the amendment because it provides an appropriation for an unauthorized program and therefore violates clause 2(a) of rule XXI.

Clause 2(a) of rule XXI states in pertinent part:

''No appropriation shall be reported in any general appropriation bill, or be in order as an amendment thereto, for any expenditure not previously authorized by law.''

Mr. Chairman, the authorization for this program has not been signed into law. The amendment, therefore, violates clause 2(a) of rule XXI.

I ask for a ruling from the Chair.

The CHAIRMAN. Does the gentlewoman from California wish to be heard on the point of order?

Ms. PELOSI. Yes, Mr. Chairman, I do, and because of the generosity of the chairman's time earlier, in the interest of time, I will be brief.

Mr. Chairman, I reject the notion that was put forth by our distinguished chairman that the point of order should be insisted upon and agreed to because this $18 billion is not authorized. The gentleman from Louisiana (Mr. LIVINGSTON) the chairman of the full committee, said on this floor earlier that the authorization is contained in this bill and, indeed, $3.5 billion for the new arrangements to borrow for the International Monetary Fund is included in this bill. If the $14.5 billion is not authorized, then neither is the $3.5 billion. So I think there is a real inconsistency here and I think that we have to be consistent. It would follow, I think, that if the point of order is agreed to, then we must strip the $3.5 billion for the new arrangements to borrow from this legislation.

The CHAIRMAN. The Chair is prepared to rule. The Chair is advised that there is no current authorization in law for the appropriation proposed in the amendment offered by the gentlewoman from California. The amendment is not merely perfecting to what has been permitted to remain in the bill by a waiver of points of order.

The Chair therefore sustains the point of order under clause 2(a) of rule XXI.

AMENDMENT NO. 32 OFFERED BY MR. PORTER

Mr. PORTER. Mr. Chairman, I offer, with the permission of the gentlewoman from California, the Radanovich amendment No. 32 as printed in the RECORD.

The Clerk read as follows:

Amendment No. 32 offered by Mr. PORTER:

In title V, strike the section relating to the repeal of section 907 of the FREEDOM Support Act.

Mr. PORTER. Mr. Chairman, I ask unanimous consent to yield my entire time to the gentleman from California (Mr. RADANOVICH).

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

Without objection, the gentleman from California (Mr. RADANOVICH) is recognized for 5 minutes.

There was no objection.

Mr. RADANOVICH. I thank the generous gentleman from the State of Illinois for yielding me the time.

Mr. Chairman, I rise today in support of a bipartisan amendment to maintain section 907 of the Freedom Support Act, a provision which, since its adoption by Congress in 1992, has placed reasonable conditions on direct U.S. foreign aid to the government of Azerbaijan.

Before voting today on this important matter, I think it is useful to review why this restriction was originally enacted and to consider carefully whether Azerbaijan has taken any steps at all over the past six years to meet the terms set forth in this law. Finally, we should examine the negative impact on American interests which will result from its repeal.

□ 1545

First of all, as my colleagues know, section 907 was enacted as a stand by Congress against Azerbaijan's illegal economic blockades. It represents both an effective check against renewed Azerbaijani aggression and a principal expression of American support for peace in the strategically important Caspian region.

Azerbaijan, however, has steadfastly refused to comply with the terms set forth in section 907, maintaining its blockades of Armenia and Nagorno Karabagh. As recently as 2 weeks ago, during the first ever visit of America's Prime Minister to the Azerbaijani capital of Baku, the Azerbaijani Government again refused to lift its blockades, flatly rejecting Armenia's offers of economic cooperation.

Yet, despite the fact that Azerbaijan continues to violate section 907, the

Azerbaijani Government, through its allies in the oil industry and elsewhere, continues to press for its repeal. Rather than comply with its terms by respecting international laws against blockades, Azerbaijan has undertaken an extensive media and lobbying campaign to change U.S. law. Section 907's repeal under this pressure would represent a victory of shortsighted thinking at the expense of our Nation's long-term interests.

On the eve of the upcoming Azerbaijani elections, such a move would be viewed as an American endorsement of the policies and candidacy of former KGB General Geidar Aliyev. Section 907's repeal would represent both an unsound foreign policy decision and an irresponsible misuse of taxpayers' funds.

Please also keep in mind when considering this matter, that the U.S. restrictions placed on Azerbaijan do not allow for humanitarian aid through NGOs. Since 1992 Azerbaijan has received over $130 million from the United States in humanitarian aid. I understand, however, that large amounts of this aid have been siphoned off and ended up in the hands of the political elite of Azerbaijan. I can only estimate the amount of aid that will be claimed by corrupt political leaders if we send aid directly to this undemocratic government.

Human Rights Watch has reported in its annual report that the international community largely glossed over Azerbaijan's poor human rights record in order to protect oil interests. The State Department, in its human rights survey of Azerbaijan, concluded that the Azerbaijani Government's human rights record continued to be poor and the government continued to commit serious abuses. The government restricts citizens' ability to change the government peacefully. The government restricted freedom of speech, press, assembly, association, religion and privacy when it deemed it in its interest to do so.

At this time, the Nagorno Karabagh/Azeri peace process is at a pivotal situation. The U.S., by reaffirming its opposition to Azerbaijan's illegal blockades, can play a critical role in pressing upon the Azeris that they should come to the table and actively seek a peaceful resolution to the conflict.

Rewarding Azerbaijan with American tax dollars would harm the peace process leading to increased instability and a less secure environment for American investors. Section 907's repeal would only encourage Azerbaijan's leadership to keep its blockades in place and to continue refusing direct peace talks with Karabagh, both to the detriment of America's interests.

We should not underestimate the significance of our actions today. Repealing 907 would fundamentally harm the peace process, dramatically affecting the stability of the region, and so undermine rather than advance U.S. interests.

So, in conclusion, I respectfully ask that my colleagues vote for peace, stability and American interests by voting for the Radanovich-Pallone-Rogan-Sherman amendment, and I again thank the gentleman from Illinois.

Mr. KENNEDY of Rhode Island. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I rise today in support of the Radanovich-Pallone amendment to strike the language in this bill that eliminates Section 907, the sanctions for the blockade that Azerbaijan has placed around the democratic country of Armenia and the area of Nagorno Karabagh which is the area that has been subject to so much warfare over the years.

Let me say, Mr. Chairman, that I had the opportunity to visit, with the gentleman from New Jersey (Mr. PALLONE), Armenia about 2 months ago and I had a chance to see firsthand the devastating impact of this blockade that we are talking about repealing, in essence, because of the fact that we are not going to allow this country to say unequivocally that we are going to condemn any country that puts such a blockade against a neighboring country like Armenia, forcing it to contend with the ravages of natural disasters, as Armenia has over the last decade, forcing it to contend with the fact that it is interdependent in the Caucasus on its neighbors, but is yet to be able to get the kind of trade that is necessary for that struggling democracy to survive because of the intransigence of countries like Azerbaijan in their inability to deal with their neighbor of Armenia.

The fact of the matter is Armenia is the closest country to the American values of any single country in the Caucasus. Armenia shares the values of the United States like no other country in the former Soviet Union. Like no other country.

And any Member of this House who would have an opportunity to go to Armenia and meet, as the gentleman from New Jersey (Mr. PALLONE) and I have had an opportunity to do, to meet with President Kocharian, to meet with that fantastic new President of Armenia, to see how dedicated he is to the principles that we hold dear in this country, they would not have a single doubt in their mind why it should be United States policy to continue to support section 907, which condemns Armenia and Turkey for their creating this blockade around the democratic country of Armenia.

We know that Armenians in Armenia share our values, and the fact is this United States Congress should stand in solidarity with our friends in Armenia and say enough is enough for Azerbaijan to continue that brutal, brutal blockade on that island locked country.

Keep in mind that Armenia is locked in the Caspian area in the Caucasus region. It does not have anything but a land route for its trade. And when every country around it blocks its ability to have free trade, it is held hostage to these regimes.

Now, let us think about what these regimes are. Azerbaijan is a dictatorship. They are a regime that has been cited by the Department of State for human rights' abuses. And let us understand what we are saying if we support this bill without passing the Radanovich-Pallone amendment. We are, in essence, saying that we are going to stand by a dictatorship, we are going to stand by a dictatorship in their effort to put their thumb on the democratically elected regime of Armenia. We are going to side with the dictatorship over a democratically elected government of Armenia. To me, that does not sound like the kind of country and principles that we should support as American citizens.

That is why I call on my colleagues to support the Pallone-Radanovich amendment, because that is the amendment that is going to strike out the effort to repeal section 907, which calls on sanctioning those countries which blockade our democratically-elected friends like Armenia.

Let us understand what we are talking about here. Armenia and Nagorno Karabagh are ravaged economically. They are ravaged economically because of the natural disasters like earthquakes, the wars that have gone on in that area, and on top of it they have their neighboring countries put this blockade through. And what is happening is a tragedy of human dimensions that none of us should be proud to support if we vote against this Radanovich-Pallone amendment because, in essence, that is what we will be doing. We will be continuing to perpetuate an intolerable situation for the Armenians in that area.

Mr. Chairman, my colleagues in this House need to support our friends and democratically-elected Government of Armenia. If Azerbaijan wants to end this blockade and wants to end the sanctions against it, they can just end the blockade; that is what they should do. They should end the blockade if they want us to end the sanctions against them because of the blockade.

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

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

Mr. WOLF. Mr. Chairman, I visited Nagorno Karabagh in August of 1994. It was one of the grimmest places that I had ever, ever been. The Russian ground missiles have been thrown in there daily for year after year after year. Many people were living down in the basement, people that had lost arms and legs and everything else.

This is a difficult issue, and I heard the gentleman from Louisiana (Mr. LIVINGSTON) in the committee. I agreed. And just let me say to my colleague, I agree with all of his rationale up until getting away with 907.

I also want to say that I want the western oil companies to have this opportunity. But to remove 907 now would send the wrong message and take the pressure off the Azeri Government to come to the peace table.

Now, we can lift the blockade and get 907 to go away today by doing one thing: Let the Azeris lift the blockade, and 907 goes.

The poor people in Nagorno Karabagh have suffered too much, and the message that this would send would be, I believe, to keep this issue going on longer and longer.

Secondly, the administration has failed that had a low level person dealing with this issue. It goes through the Minsk treaty agreement, and we have Russia, and Russia does not want to end this.

So what should we do? We should call the Azeris together, call the Armenians together, and have a representative on Nagorno Karabagh come, bring them to Washington, go over to the Eastern Shore, sit down, break bread together. Reconciliation. And I tell my colleagues this problem can be solved.

But I also believe from the bottom of my heart that if we lift 907 today, the problem will not be resolved.

Now, neither side is perfect. The head of the Azeri Government is the former head of the KGB. Clearly there are problems in Armenia because there are Russian troops in Armenia. Neither side is absolutely perfect. But for the people of Nagorno Karabagh to bring in a spirit of reconciliation, the Azeris together and the Armenians together with Nagorno Karabagh there, do not lift 907, because by lifting 907 I think we will say there is no pressure on the Azeris, there is no pressure on anybody.

So I strongly support, at least for another year, maybe, I say to the gentleman from Louisiana (Mr. LIVINGSTON), next year or maybe something like that, but hopefully we will support the Radanovich amendment, and then Secretary Albright will pick up the phone, get the Azeris in, get the Armenians in, bring the Nagorno Karabaghs together, and I believe that both parties stand so much to gain, and then everything the chairman wants, which I agree with, will take place, whereby the oil will flow in the appropriate place.

So I, just for this time and for the interests of the pain and the suffering of those in Nagorno Karabagh, I strongly urge my colleagues to support the Radanovich amendment.

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

Mr. Chairman, I join my friend from Virginia, the last speaker who has spoken on behalf of the Radanovich-Pallone amendment.

We should not have done, in my opinion, in subcommittee and full committee what was done. We ought to restore this amendment. We ought to restore America's position on behalf not of Armenia, not of Nagorno Karabagh, but on behalf of justice, on behalf of humanitarian concerns, on behalf of the principles for which this Nation stands around the world.

I am deeply saddened by the fact, Mr. Chairman, that since the termination of hostilities in 1994, no demonstrable progress has been made in the negotiations regarding the status of Nagorno Karabagh.

The gentleman from Louisiana (Mr. LIVINGSTON) mentioned earlier today in debate that there had been some progress. I did not see that story, I am pleased to hear it, but I do not believe it yet. I hope that the parties will continue to negotiate to achieve a lasting solution which will benefit all the peoples of the region. In fact, talks are ongoing at this time.

However I do not believe, and I hope this House does not believe that weakening or eliminating section 907 will further this process. In fact, my colleagues, I am of the opinion it will move us in exactly the opposite direction because it will send the message to the Azeris that they are winning. And why are they winning? On principle? No. Because of economic concerns and profits. That is why they are winning. That is where we are.

□ 1600

Now, I want to see the oil in that region benefit all the peoples of that region, and I am not against the economic development of Azerbaijan or Armenia or Nagorno Karabagh, but I am for proceeding in a principled way.

Section 907 of the Freedom Support Act prohibits direct U.S. aid to Azerbaijan in an effort to pressure Baku to lift its blockade of Armenia and Karabagh. However, section 907 does allow, very importantly and correctly, the delivery of humanitarian and democracy building assistance through nongovernmental organizations, as well as activities by the Overseas Private Investment Council, OPIC, the Trade and Development Administration, and Eximbank. In fact, the United States has provided, even with 907 in being, $130 million-plus in humanitarian exchange assistance to the people of Azerbaijan.

The United States is not closing its eyes to the pain that may exist in Azerbaijan. We are sensitive. This is not against the people, this is against a government policy in Baku that undermines the welfare of citizens in Armenia and Nagorno Karabagh.

The Government of Azerbaijan has enforced a blockade against Armenia and Nagorno Karabagh for 9 years. The blockade has cut off the transport of food, fuel, medicine and other vital goods and commodities.

Because of the blockade, Mr. Chairman, Armenia has experienced a humanitarian crisis during which the United States sent emergency lifesaving assistance, as we should have. The blockade has virtually isolated Armenia from the rest of the world.

As the gentleman from Massachusetts said, and I am sure others have before I spoke, Armenia is landlocked, isolated, in need of the attention of the rest of the world for humanitarian reasons as well as democracy-building reasons.

Mr. Chairman, in contrast to what the Azeris have done, Armenia has repeatedly offered to allow transshipment, repeatedly offered to allow transshipment of humanitarian assistance to Azerbaijan, only to be repeatedly rebuffed.

Mr. Speaker, Azerbaijan has the power, as the gentleman from Virginia (Mr. WOLF), said, Azerbaijan has the power this minute, this very hour, to end the consequences of section 907. All it has to do is end the blockade. That is all it has to do, a simple act.

Mr. Chairman, I urge my colleagues to support the Radanovich-Pallone amendment.

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

Mr. Chairman, I rise in strong support of the Radanovich-Pallone amendment that would restore section 907.

Section 907 was originally included in the Freedom Support Act to deny assistance to Azerbaijan until it takes, quote, ''demonstrable steps to cease all blockades and other offensive uses of forces against Armenia and Nagorno Karabagh.'' Azerbaijan has blockaded Armenia and Nagorno Karabagh for 9 years. Azerbaijan has made no demonstrable steps to end the blockade. Shipments of food, fuel, medicine and other vital supplies have been held up. And the Azeri policy has fomented Armenia's humanitarian crises in Armenia. Together with Turkey's blockade, Armenia's efforts to develop markets and to strengthen its economy have been damaged.

The timing of striking 907 is also a concern. Azerbaijan is on the verge of presidential elections which are being boycotted by the major opposition parties because of Baku's authoritarian policies. The government is plagued with corruption, human rights violations, and crooked elections.

Striking 907 will send the wrong message, and it sends it at the wrong time.

Maintaining section 907 will have no effect on humanitarian assistance to Azerbaijan or aid for promoting and strengthening Democratic institutions, but it will send a message to Baku that it must move to address the blockade, and it will reassert our solidarity with democratic Armenia.

Mr. Chairman, I urge passage of this amendment. I urge my colleagues to so vote.

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

I rise today in support of the Radanovich-Pallone amendment to the foreign operations bill.

Section 907, as so many of my colleagues have stated already, of the Freedom Support Act, places restrictions on the aid that the United States gives to the Government of Azerbaijan until that country ends its aggression

and lifts its illegal blockades against Armenia and Nagorno Karabagh.

The government of Azerbaijan has blockaded Armenia and Nagorno Karabagh for 9 years. Day by day, 9 years. That is a very, very long time. Cutting off the transport of food, fuel, medicine and other vital supplies, creating a humanitarian crisis requiring the United States to send emergency assistance to Armenia.

Now, for those Members who may not be joining in on this effort, who may be willing to reconsider their positions in prior years, just think of the irony of what it is costing the United States taxpayer in this situation. Because of the blockade that many Members allow to keep on the books, we then spend even more money to send emergency assistance to Armenia.

Strictly on a fiscal basis, if one does not want to deal with this on a humanitarian basis, on the issues relative to a democracy, consider that at a time when Armenia is introducing market reforms and integrating its economy with the West, the blockade has virtually isolated Armenia from the rest of the world.

Azerbaijan controls the majority of the access to Armenia, a country that is landlocked. We should not repeal section 907, because Azerbaijan has taken no demonstrable steps to lift these illegal blockades.

Direct assistance should not be provided to a government with fundamental human rights and corruption flaws.

Mr. Chairman, I think that I am the only member of the entire Congress of Armenian descent, of both Azerian and Armenian descent. The Armenian people fled and suffered and came to this land, as so many others did, not to take anything from this country, but to contribute, to enlarge on its democracy, to contribute to its economic growth, and to uphold the principles that they found so attractive that they would travel around the world and come to this beacon of light and hope.

Armenia represents and upholds democratic principles. That is why we should join with her and we should support her today. And when we do, we will harken back to all of the peoples that have come from around the world to this land, the United States of America, and its democracy. That is really what this vote is about.

How proud I am to join with my colleagues that are offering this amendment. And, for anyone that even has a twinge of rethinking this, please join us. It is the right place to be, for all of the right reasons.

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

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

Mr. GEJDENSON. Mr. Chairman, I come and join my friends from California to ask my colleagues to join the debt of history here. This is a people, the Armenians, who have suffered through history. Their lands had been taken; they had faced the first modern genocide. They were oppressed by the Soviet Union. And now, as we see the hope for opportunity and democracy, their neighbor, besides that economic strangulation, is the solution for their own internal problems.

In the post-Soviet era, we all have to develop systems for resolving disputes which do not heighten tensions with our neighbors but, indeed, those that reduce the tensions with our neighbors.

The facts are clear here. The Congress has spoken repeatedly, recognizing history, recognizing the failure of nations of this planet to speak out, when Armenian men, women and children face genocide, that we cannot allow ourselves today to have the Armenian Government strangled by a blockade because we treasure oil more than human beings.

The battle lines are fairly clear here. The economic interests of powerful oil companies would have us abandon the people of Armenia once again. I do not know what responsibility we have here as Members of Congress to all of the world and its causes, but I know as people who believe in human rights, people who believe in history and the responsibility of a great Nation, that this Congress dare not turn its back on the Armenians once more.

Mr. Chairman, we have to use our voices here to make sure that these small and evolving democracies have the time to develop real Democratic institutions, and we had better be careful, putting aside those fundamental values of America in favor of short-term economic advantages in the oil fields.

Additionally, it would be very simple for us to end this conflict. All they have to do is stop the embargo, stop the blockade; take away their provocative actions which have led to their isolation. It is not the Armenians that continue, frankly, the very low level of restrictions on their opposition in this conflict. The Armenians simply are the victims.

And the question for those of us in this Chamber today is, will we stand for the victims, or will we stand with those who attempt to victimize them? Will we determine that access to oil and oil leases is more important than the principles this Nation was founded on?

Mr. Chairman, this is the right thing to do. Support the Armenians, support freedom, and we will build democracy in the former Soviet Union nations.

If, on the other hand, we abandon the Armenians, we will send a signal that wealth is more important than righteousness in our actions.

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

Mr. Chairman, I was upstairs in the Committee on Rules, trying to get our work out for the rest of the week, and began to listen to this debate. The previous speaker mentioned oil leases and oil. Are they more important than human rights? And the answer would be no to that. Are oil leases and situations like that, are they more important than American lives, American military lives?

Mr. Chairman, I do not think many people in this Chamber understand the strategic importance of the Caspian Sea area, whether we are talking about the Caucasus, whether we are talking about central Asia. But the truth of the matter is, sometimes I am confused because I hear the same people that are arguing for lifting sanctions on Cuba standing here saying now, we cannot repeal section 907. Those two things just do not go together. But the situation is such that that is a very, very important part of the world, and if we are ever, ever, ever going to become less dependent or nondependent on the Mideast area for oil, the only way we are going to do it is to open up these oil fields which are only second to the Mideast in the entire world. It is terribly, terribly important.

Now, what is going on in Armenia? I have to say that some of my closest friends are Armenians, one of my closest friends is. So it is not a question of sticking up for a special interest group in America, it is a question of doing what is right. What are the Russians doing in Armenia?

□ 1615

Do my colleagues know that the Russians, who are no friends of ours, are getting IMF money? It is going in the front door and out the back door so fast into the Mafia's pocket that we do not even know what is happening with that money.

But the truth is that the Russians are in Armenia. They have bases there. They will not even allow our military observers to go in and see how they are plotting to undermine those new sovereign nations, those people that are so proud of their new sovereignty, whether we are talking about Azerbaijan or Kazakhstan or Turkmenistan or any of those countries, even Georgia, which are having their problems now.

But there is a hell of a fight going on. Right now, the Russians are trying to throw us out. They are trying to bring down those sovereign nations of Azerbaijan and Kazakhstan and Turkmenistan. They want to have all that oil going north to Russia.

We have got another problem with the Chinese. The Chinese are to the east of there. The Russians are to the north. The Chinese are doing everything they can in Mongolia to stir things up so they can grab the influence and they can have all the oil going east.

Now who do my colleagues think sits to the south? Does anybody know? Have my colleagues been down there? Have my colleagues been to the Mideast? Have my colleagues been to Central Asia?

To the south is Iran. Iran is doing everything they can, in other words, to

drag everything down there so the pipelines will have to go through it. And then the Iranians can continue to control and continue to blackmail the world, trying to bring down Israel and all of the other countries over there.

So this is not just a very, very simple thing. If we were to say to the Russians and to the Armenian government, what I have said, tell those Russians to get out, and then let us sit down and let us negotiate, then we could accomplish something.

But to simply say, no, we are going to side with the Armenians, and we are going to let the Russians continue to undermine everything there, that is just absolutely wrong.

That is why we should repeal 907, and then we should have an all-out effort by our State Department and Members of this Congress to go over there, bring these people together, and solve the problem. That is the only resolution.

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

Mr. Chairman, I rise in strong support of the Radanovich amendment to strike the repeal of section 907 from the bill.

During committee consideration of this bill, a provision was added to repeal section 907 of the Freedom Support Act, which prohibits direct economic assistance to the government of Azerbaijan until that country ends its blockade of Armenia and Nagorno-Karabagh. This amendment was misguided and, in my judgment, it should be overturned.

For almost a decade, Azerbaijan has imposed a cruel and illegal blockade of Armenia and Nagorno-Karabagh. This blockade has cut off the people of Armenia and Nagorno-Karabagh from food, fuel, medicine, and other vital goods and commodities. It has stopped United Nations humanitarian assistance to the people of Nagorno-Karabagh and has created a humanitarian crisis in the region.

I had the opportunity with my colleagues on our subcommittee, including the gentleman from Michigan (Mr. KNOLLENBERG) and others to visit Nagorno-Karabagh, to visit Armenia, to visit Azerbaijan. It was very clear when we visited Nagorno-Karabagh to see the suffering. The life of these people made us come back even more committed in trying to bring the parties together to work out a settlement. We feel that lifting this blockade does not work towards that end.

Currently, the process to bring a lasting peace to the Caucasus is at a very critical stage. The United States, as one of the cochairs of the Minsk Group, has been trying to bring the parties to the table for direct talks. Now, in my judgment, is not the time to change the United States policy in the Caucasus toward any one of the parties.

Repealing section 907 at this critical juncture would only encourage the Azerbaijani government to dig in its heels in the peace process. It would remove what little leverage the United States has over the government in Baku to move it along toward an agreeable solution to this protracted conflict.

Mr. Chairman, it seems to me that opponents of this amendment have grossly exaggerated the scope of section 907. Let us be perfectly clear. Section 907 does not, does not prohibit the delivery of humanitarian and democracy building assistance to Azerbaijan. In fact, the United States has provided over $130 million in assistance to Azerbaijan through NGO's and PVO's since 1992.

Section 907 also does not prohibit U.S. export financing assistance to Azerbaijan. OPIC, TDA, the Export-Import Bank are free to participate in projects in Azerbaijan. Section 907 does not prohibit oil companies from developing and investing in projects in Azerbaijan.

In fact, during our visit, I dare to say, the oil companies were alive and well. At our meetings with the business community in Azerbaijan, I do not think there was one oil company that I ever heard of that was not there. So this is not prohibiting any action from the oil companies to operate in that region.

Section 907 does give the United States leverage over a government that has not shown respect for human rights and the principles of democracy. Maintenance of section 907 will give the United States stronger footing in its attempts to bring the Azerbaijani government to the table and direct peace talks over Nagorno-Karabagh.

Mr. Chairman, this, in my judgment, is a good amendment that deserves our support. I urge my colleagues to support peace in the Caucasus by voting ''yes'' on the amendment.

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

Mr. Chairman, I will not take 5 minutes. I reluctantly resist and oppose the amendment of my dear friend and colleague, the gentleman from California (Mr. RADANOVICH). But I am convinced that, if we allow the section 907 to continue, that it will prevent us from working toward a peaceful solution in Central Asia.

I want to commend the gentleman from Louisiana (Chairman LIVINGSTON) on his leadership on this issue. There is few people that have understood this issue better than he, and I support his efforts to facilitate the peace and stability that we are seeking between Armenia and Azerbaijan.

Section 907 is an outdated provision which hamstrings our foreign policy options in the Caucasus.

Azerbaijan remains the only former Soviet Republic barred from receiving broad-based U.S. assistance based upon conditions that no longer apply. Repealing section 907 sends a signal that will encourage investment and competence in Azerbaijan and thus will contribute to the stability of this strategical and vital region.

Lifting section 907 is an important component of the comprehensive U.S. strategy for the region and will help facilitate our involvement in Central Asia. For 10 years, we have looked for peace there. The current system is not working. It is time that we change.

Section 907 continues to undermine our neutrality in the negotiations between Armenia and Azerbaijan to promote peace. We need a balanced approach for the Caucasus, and this is why the administration also supports lifting section 907. The Caucasus could account for nearly 75 percent of the world's known energy resources, and we stand to benefit greatly from stability in that region.

Mr. Chairman, it is in our national interest to support repeal of this section. I urge my colleagues to reject the pending amendment and support the fundamental language of the bill.

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

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

Ms. WOOLSEY. Mr. Chairman, I rise in strong support of this amendment because two wrongs do not make a right. In fact, our actions today regarding section 907 will be a message to Russia and other countries regarding U.S. foreign policy and what we mean and that we do what we say and what we mean.

Mr. Chairman, I am outraged that Azerbaijan continues to block distribution of much-needed American aid and assistance to the Republic of Armenia, and to the break-away Republic of Nagorno-Karabakh.

Meanwhile, thousands of Armenians are still without adequate housing as a result of the 1998 earthquake. This is unacceptable. Not only is this blockade clearly immoral, it is illegal, according to U.S. law.

The time has come that we stop making excuses for Azerbaijan. The time has come to quit playing politics with humanitarian aid destined for Armenia. Human rights must be protected. No one has the right to flaunt the Humanitarian Aid Corridor Act, no one, period.

There should be no business as usual with Azerbaijan until their illegal, life-threatening blockade is lifted.

I urge my colleagues, vote yes on the Pallone-Radanovich amendment. This is a vote for the people of Armenia. This is a vote for peace. This is a vote for solidarity.

Mr. KENNEDY of Massachusetts. Mr. Chairman, will the gentlewoman yield?

Ms. WOOLSEY. I yield to the gentleman from Massachusetts.

Mr. KENNEDY of Massachusetts. Mr. Chairman, I thank the gentlewoman from California (Ms. WOOLSEY) for yielding.

Mr. Chairman, I rise today in strong support of this amendment. I think it is very, very important that we recognize that if we want peace in this

world, we have to have justice. If we want justice, we cannot stand idly by while one country simply says, we are not going to provide any humanitarian aid, no matter where it comes from, to another country that it happens to have a conflict with.

I appreciate the fact that this is an enormously complicated and difficult political issue involving Armenian and Nagorno-Karabakh and Azerbaijan but for Azerbaijan to be able to stand by and say that no amount of human aid is going to get through Armenia, when I have visited Armenia and I have seen children going cold in the wintertime, I have seen elderly people in hospital rooms where the temperature in the hospital room was below freezing, and that is the kind of situation that occurred because of the fact that we have interests that would just as soon see us repeal section 907.

What I say is if we want to see peace, if we want to see these issues solved over a period of time, then we cannot do it with just economics in mind. We have to do it with justice in mind. If we want justice, repeal the attempt to get rid of section 907; stand up to the Armenian people; stand up for peace and stand up for poor people around the world who are hurt far too often because economics comes before politics.

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

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

Mr. KNOLLENBERG. Mr. Chairman, I respectfully rise to support the amendment by my colleague from California. As we all know too well, the countries of the Caucasus have been crippled by violence and conflict since the collapse of the Soviet Union. If one were to Nagorno-Karabakh or to Armenia or Azerbaijan, and many in this body have, one would know something about the geography. That, in turn, gives some glimpse of what the conflict is all about.

For Armenia and Nagorno-Karabakh, this reality is worsened by Azerbaijan's devastating blockade of its neighbor. It is especially painful to see a country with the potential of Armenia recede into an economic stone-age at the hands of its neighbors.

This is why, in the first place, we adopted section 907 of the Freedom Support Act with overwhelming bipartisan support. It prohibits the delivery of U.S. Government economic or military assistance to the government of Azerbaijan, unless it takes demonstrable steps to cease its blockade. They have not. They have not taken any steps.

Section 907 sets reasonable conditions on the use of U.S. foreign aid. We struggled in last year's bill to ensure that it could not prevent vital humanitarian and democracy building assistance or export finance assistance to U.S. business. That took a tremendous amount of struggling, but it did come to completion.

However, we cannot repeal section 907 until the conditions for its lifting are met. Unfortunately, Azerbaijan continues its crippling blockade of its neighbors. In addition, the negotiations over the resolution of the Nagorno-Karabakh conflict remain uncertain.

Given these facts, these circumstances, now is not the time to reward the government of Azerbaijan. Hopefully, that time will come.

I urge my colleagues to oppose this amendment.

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

Mr. Chairman, I am going to support this amendment, but I hope that it is the last time that I or any of us have to do this. This provision has been the Congress' response to a difficult complex issue year after year, and yet we see no real progress.

□ 1630

We cannot only blame Azerbaijan. Armenia has to accept some of the blame for insufficient progress as well.

One of the realities that we have to understand is that Azerbaijan is going to be one of the wealthiest countries in the world. It is not landlocked, as Armenia. It is not nearly as economically and militarily vulnerable as Armenia. In fact, it is going to be a major role player in the Caucasus in that part of the world.

So it behooves us in the future to, in fact, be an ally of Azerbaijan. The reality is that we cannot under these current circumstances. But if we want peace in the Caucasus and protection of Armenia's sovereign borders and prosperity for the Armenian people, then we need to establish economic trade between Armenia and its neighbors on all sides. The situation today is untenable. In fact, there are people suffering in Armenia. There are people suffering in Yerevan, there are people suffering in Nagorno-Karabakh. But we must be part of the solution, not part of the problem. And part of the problem is that we have not moved forward. We have not been able to take sufficient initiatives. We have not been able to bring together the people in a sufficiently constructive attitude.

I understand the frustration of the people in the State Department. They really feel that this amendment is counterproductive, that we have got to be able to assure the Azeris that there is a level playing field, that we are not playing favorites because of domestic politics. There is reason for them to believe that and to make that charge. But it is also true that they eventually will be holding the upper hand.

They do have it in their means to find a way to relieve much of the economic suffering that the Armenians are encountering. They do have it in their means to move the Minsk peace process forward. I would hope that this is the last year that this is the only approach that this Congress can take, which is to continue essentially an embargo that, in fact, is hurting Armenians as well as Azeris and that is not consistent with the way we have resolved past conflicts.

Mr. Chairman, I very much respect the people who want to lift 907, but I also respect not only the insight but the compassion of those who feel that this is not the time. I am just saying for the record that if this comes up again, I do not think it is the responsible decision for the Congress to simply stick with the same old response to a problem that continues to fester and is not getting any better, without initiative on the part of this Congress and those who understand the situation and who believe that peace and prosperity is possible and will only occur if we are willing to take the necessary political and diplomatic risks for that peace and prosperity to overcome the age-old animosities that have precluded it in the past.

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

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

Mr. ROHRABACHER. Mr. Chairman, I would like to commend the gentleman from Virginia (Mr. MORAN), my colleague, for those words. I have reached a different conclusion, but many of the things that the gentleman stated in his talk were right on target.

I rise in support of the repeal of 907, which means I must oppose this amendment of my dear friend, the gentleman from California (Mr. RADANOVICH). Let us note this, that this war, as the gentleman from Virginia has suggested, is going on and on and on.

Mr. Chairman, I have visited Armenia and I have visited Azerbaijan. I have come to the conclusion, the honest conclusion, that the reason the war continues is because there is a perceived tilt in American policy towards Armenia in that part of the world and the Armenians thus are totally inflexible when it comes to negotiations with the Azerbaijanis, the Azerbaijanis who are desperate to make some kind of an agreement.

But the Armenians, because it is perceived that the United States will do anything for them because of political pressure because, and let us face it, there are many Armenians that live in the United States, there are many Armenians that live in California, many of them are supporters of mine, they are fine people. But American foreign policy cannot be based on that political consideration. We should consider the cause of peace, the cause of freedom, and we have to consider also the national security interests of the United States of America.

In this particular case, our unwillingness to try to be evenhanded in our approach in that area because of our fear of political repercussions from the Armenian community has prevented a peace agreement from being reached. Thus, both sides are suffering.

Yes, as we hear about the suffering of the Armenian people in Nagorno-Karabakh, that is exactly correct. Those people are suffering. And equally suffering are the Azeris. Almost a million Azeris, 15 percent of the population, are now displaced and refugees. They are suffering as well.

What is preventing the peace from coming about? What is preventing the peace from coming about is the Armenians really believe that they can hold out because America is going to be on their side and we are not going to force them to make any kind of compromise and they are going to get the whole ball of wax.

We should be instead trying to be evenhanded, trying to reach a compromise. Now, in both instances when I went to Armenia and Azerbaijan and talked to the leaders of both of these countries, again I find the Azeris anxious to try to discuss and find some solution. And I find the Armenians unwilling to give up an inch. One inch.

There is an easy answer to this and it is very recognizable on the map. There is an Armenian enclave in Azerbaijan. We know about that. Nagorno-Karabakh. But also there is an Azeri enclave in Armenia. The Azerbaijanis are open to talking about some kind of a land swap where they would swap the entire Nagorno-Karabakh region which used to be part of their territory, which is major Armenian and should be part of Armenia, they would swap that and give their legitimacy for that in exchange for a corridor to that enclave of Azeri population in Armenia.

Mr. Chairman, that deal that is so obvious to those of us on the outside is not being seriously considered because the Armenians believe the United States is on their side, Russia is on their side, all the big boys are on their side, so they do not really have to give up a thing. That attitude is what has prevented peace.

If we really love Armenia and love people and are trying to help end suffering, and we love Azeris and Armenians on an equal level, because that is what we are supposed to be, evenhanded in trying to bring about peace and freedom in this world, then we will have the courage to tell our Armenian friends back home that we are going to have to reach a compromise here and they are not going to get every single thing that they want; that there is going to have to be a compromise to reach peace.

If there is that kind of compromise, both sides will be better. Let us have the courage to call it as it is here. Let us meet our responsibility as the world's leading power and at the very least not be forced into positions by strong minority groups within our own country to take positions that are contrary to the interest of world peace, contrary to freedom, and contrary to our own long-term national security interests.

So, I rise in strong support of the repeal of 907 and thus oppose this amendment.

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

Mr. Chairman, I rise in opposition to removing Section 907 from our bill. Let me just bring this debate down to a more reasonable level that at least I understand. I am sure it is very confusing to any television audience that might be listening to this debate or any Members of Congress who might be back in their office.

First of all, we are not talking about money. We are not talking about giving money to Azerbaijan. We met with President Aliyev when we were in Azerbaijan. I took our subcommittee there specifically for this reason, to see if indeed this country was sincere in its indications that they want to move towards a democracy. Mr. Aliyev did not ask us for money, nor is he asking us for money in this bill, nor do we give him any except for refugees. We give money to Armenia. We give more money to Armenia per capita than any other nation in the entire world, other than Israel. We are not talking about what kind of assistance we are giving to these countries. We are talking about a slowly emerging democracy.

Mr. Chairman, when we met with President Aliyev, we talked about what he wanted. And I will admit, it was difficult for me to believe, sitting there talking to one of the top leaders of the former Soviet Union telling us sincerely that he wanted to democratize, he wanted to move his country up.

They are blessed with the resource of oil that a lot of emerging countries do not have. They want to send this oil to the West rather than through China. So we are not talking about money.

We are talking about his plea to let the United States people help him with his educational process. Mr. Chairman, with 907, it cannot be done. We are talking about assistance and help and care for the people, the sick people of Azerbaijan. With Section 907, it cannot be done. We are talking about lifting that. We are not talking about giving them money. We are not talking about anything that has to do with foreign assistance monetarily.

We are talking about a confused region of this world that has been warring for centuries. We are talking about a country that has had differences with Azerbaijan and has a tremendous advantage in any peace settlement as long as this thing is in place. Let us not talk about whether or not this is going to permit the United States to dump millions of dollars into Azerbaijan, because it is not.

I know a lot of these people that have spoken today are very compassionate. Many of them have been to Azerbaijan. Many of them may even be able to point it out on the globe. Some of them, probably, cannot. But let me tell my colleagues, the Constitution of the United States of America says that the administrative branch of government will determine foreign policy, the Congress of the United States shall be the check and balance.

The people of this country elected President Clinton. He, in turn, has appointed Secretary Albright as Secretary of State. Secretary Albright called me and said this is one of the most important things that this Congress can do for this administration to have an effective foreign policy.

Now we have all of these Members of Congress who may have been to Azerbaijan, like me only once, who now have become pseudo-Secretaries of State. They are trying to impose their will against the direction of the professionals we have hired.

The administration is pushing for this. It is not the gentleman from Louisiana (Mr. LIVINGSTON) nor I. We recognize how important it is. Azerbaijan has another alternative with respect to that oil. They can send it through China. That would probably be the easiest route to go. But if we deny our American businesspeople, and we talk about oil companies, the right to participate, not with giving them money but with giving them OPIC assistance and Eximbank assistance, then we do not stand a chance to compete with the French and the German and the British and the Japanese and the Chinese who are all there trying to keep this section 907 in place because it is disadvantageous to American oil companies.

So let us not talk about money. This has nothing to do with money to Azerbaijan. It has to do with a policy that the foreign policy professionals of that this country have hired to have foreign policy ability, and this is one of the top priorities that Madeleine Albright has requested and that is that we remove 907.

This committee has taken a good look at it. I think we probably looked at this area of the world more than any other area of the world. We have been there. We have seen the needs. Some on the committee still disagree. But to those who have never been there, to those who have not had the opportunity to discuss this intelligently with the Secretary of State, I remind them that they are not Secretaries of State; they are Members of the House. They have a responsibility to the administration to give them the latitude they need to have an effective foreign policy.

□ 1645

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

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

Mr. Chairman, as a member of the House Committee on International Relations, I rise in strong support of this amendment. I object to the bill's striking of section 907 of the Freedom Support Act both on the substance and the procedure.

I do not think that many of us consider ourselves, with all due respect, to be secretaries of State, and I have heard many colleagues on both sides of

the aisle suggest that they do not have the full abdication to the administration of what the United States role is in the world or a blank checkbook for that regard.

For 9 years, 9 years the government of Azerbaijan has blockaded, not embargoed, but blockaded, meaning using force to blockade Armenia and Nagorno-Karabagh cutting off the transport of food, fuel, medicine and other vital supplies, creating a humanitarian crisis requiring the United States to send emergency life saving assistance to Armenia.

By contrast, section 907 does not prevent the delivery of humanitarian aid to the people of Azerbaijan. As a matter of fact, to date more than $130 million in United States humanitarian and exchange assistance has been provided to Azerbaijan but through nongovernmental organizations.

Azerbaijan has failed to live up to the basic conditions set forth in U.S. law pursuant to section 907. What does that say? Quote, taking demonstrable, demonstrable steps to cease all blockades and other offensive uses of force against Armenia and Nagorno-Karabagh.

For this reason, we should not lift restrictions on aid to Azerbaijan.

Second, I object to the provision of the underlying bill on procedural grounds. As a member of the Committee on International Relations, the committee which has the authorizing jurisdiction for the Freedom Support Act, I am clearly concerned that we set the process and the pattern, that the Committee on Appropriations usurped the jurisdiction of our committee, and that the Committee on Rules extended protection to the provision despite its violation of House rules on authorizing in appropriation bills.

Section 907 remains an essential element of U.S. foreign policy towards the Caucasus as well as an expression of Congress' objection to Azerbaijan's illegitimate blockade of the Armenian people.

I want to address one or two other things I have heard in debate. To suggest that American citizens of this country who identify with a certain national entity of another country, who may have been born here in the United States but whose roots in fact come from some other ethnic background, that those citizens have less of a right to petition their government for what they believe the United States policy should be any place in the world and that U.S. companies, however, with multinational interests have a greater right than United States citizens to petition their government in my mind is outrageous.

We should take risks for peace but those should be on the side of making sure that Azerbaijan ceases to be the aggressor. Oil and oil interests themselves cannot be the guiding star of United States foreign policy, particularly at a time of an oil glut. We can get our pipeline, but the pressure should be on Azerbaijan, the aggressor, the aggressor, not the victim.

When we assist the aggressor, we send the wrong message throughout the world. When we assist those who are undemocratic, we send the wrong message throughout the world. When we assist those who are trying to strangulate a people, we send the wrong mesage throughout the world. When we look the other way, when we lend a blind eye to what is happening in these parts of the world, simply based on economic interests, we go down a road which we have already had in our history, and we need not repeat that chapter again in our history.

That, Mr. Chairman, is really in my mind the guiding principles we should be looking at as we determine how we vote on this amendment.

I urge my colleagues to support the Radanovich-Pallone amendment.

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

Mr. LIVINGSTON. Mr. Chairman, I move to strike the requisite number of words, and I rise in strong opposition to the amendment.

Mr. Chairman, I categorically reject the arguments made by the preceding speaker as being both foolish and misguided.

Nobody has come before this House to argue that oil is more important than human beings. There is nobody in this House who is arguing that any one group of Americans should be less entitlted to come before this House and argue their case than any other group of Americans.

The whole point of bringing this authorized repeal to the floor within this proper piece of legislation is to remove a foolish, ill-conceived provision that takes sides in a battle between two countries in another part of the world is because we do not have an Armenian-American interest any more than we have an Armenian-Azeri interest.

We promote the interest of the United States of America in world policy. And it is our obligation, as representatives of the people of the United States, be they Armenian or Azeri or of any other ethnic background, it is our interest to see to it that they are equally and properly represented in the national interest of this country. To suggest otherwise is incredibly wrong.

I have heard some interesting arguments here today on this issue, some of them based in sincerity, some of them based in fact, and some of them based in total misinformation.

Mr. Chairman, section 907 is a provision that we passed in 1992 after the Azeris and the Armenians were engaged for some years, in a tragic war with major loss of life on both sides. There were ultimately no winners because both sides lost lives and suffered great casualties. Azerbaijan lost territory. Nagorno-Karabagh, which was an Azeri piece of property, is now virtually totally controlled by Armenians and there was ethnic cleansing at the hands of the Armenians because the Azeris, some 700,000 of them, are living in refugee camps in Azerbaijan. I would like to reduce it, as the gentleman from Alabama (Mr. CALLAHAN) did, to understandable terms so that my fellow Americans can understand this issue.

If I had two neighbors down the block from my neighborhood involved in an ongoing battle and I was worried that that battle was going to escalate, inflame my neighborhood, could possibly result in tremendous death and hardship to my neighbors, I would do something. In order to break up that battle, I walked over to one of them and I started beating him with a stick, and for 6 years I beat him on the head with a stick. For the other neighbor to come to me and say, we are almost going to solve this problem but just do not stop beating that guy over the head with a stick or else we will never solve the problem, that is effectively what we have done with Azerbaijan and Armenia.

Certainly, we have friends who are Armenian Americans. I remember the gentlewoman from California (Ms. ESHOO) who addressed us. She takes pride in her heritage, and well she should. Armenian Americans have come to this country and worked hard and prospered and done well. I guess we do not have very many Azeri Americans. So they have not come here, they have not prospered, they have not done well, and they do not have much access to Congress.

For one reason or another, in the middle of a war, we go over there and start beating the Azeris with a stick. It is called section 907. And it says, we cannot transfer aid. We cannot deal with the Azer-baijan Government. But we have given plenty of aid to the Armenians, as the gentleman from Alabama (Mr. CALLAHAN) has already pointed out. They are one of greatest recipients of aid that we have in the world.

What we are doing here today is not proposing that we cease our friendship with Armenia. It is just that we lessen our Congressional hostility toward the Azeris. It is an important part of the world. To suggest that it is due to oil is shortsighted and simply disingenuous.

Is there oil in that part of the world? Yes. Is that important? Yes. Why is it important? Because if we can develop that oil in that part of the world, some ¾ of the world's oil reserves, we might make the Middle East less important.

Mr. CHAIRMAN. The time of the gentleman from Louisiana (Mr. LIVINGSTON) has expired.

Mr. LIVINGSTON. Mr. Chairman, I ask unanimous consent to proceed for 3 additional minutes.

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

Mr. PALLONE. Mr. Chairman, I object.

The CHAIRMAN. Objection is heard.

Ms. PELOSI. Mr. Chairman, I move to strike the requisite number of words, and I yield to the gentleman from Louisiana (Mr. LIVINGSTON).

Mr. LIVINGSTON. Mr. Chairman, I thank the gentlewoman for yielding to me.

Mr. Chairman, the oil is important. One should never think, though, that the oil is the cause for this change in policy, other than to deemphasize the critical impact on the Middle East. We have for years, virtually since 1947 but certainly more recently, since my 20 years in Congress, we have been embroiled in disputes between Israel and her neighbors. One of the key ingredients for the strength of some of her neighbors is because of their possession of oil. They use it as clout.

In the 1970's, 1980's, the fact is we had an oil embargo because they used it to strangle not only the Middle East but the entire world. By opening up the spigots in the Caspian region, both in the Caucasus and in Central Asia, we will deemphasize the importance of Middle East oil, and the stranglehold that those Middle Eastern oil territories have over Israel and the entire world.

Repeal of section 907 is the national interest of the United States. That is not me speaking alone. That is Secretary of State Madeleine Albright, last time I checked still a Democrat, who says, section 907 creates the impression that the U.S. approach to the Nagorno-Karabagh conflict is not balanced.

It is critical that the U.S. be perceived by both Azerbaijan and Armenia as a fair and honest broker in its bilateral relations with each country and multilateral relations through the OSCE Minsk Group, of which we are a co-chair. We believe, this is from Secretary Madeleine Albright, that section 907 encourages other parties to calculate that the United States will continue to press only Azerbaijan and that they can accordingly maintain an intransigent posture towards the Minsk Group process.

Madeleine Albright, our Secretary of State, the President of the United States, the entire Democratic administration and our Committee agree that section 907 should be repealed. We are also working with American Jewish Congress, the American Jewish Committee, the Anti Defamation League, the B'nai B'rith, the National Conference on Soviet Jewry. Why? Because they understand that it is in Israel's interest that this thing be repealed.

The gentleman's suggestions are outrageous. And when he says that this is just oil related and that it has nothing whatsoever to do with U.S. national policy, I reject his position.

I urge the repeal of section 907 and the defeat of the amendment by the gentleman from Illinois (Mr. PORTER) and the gentleman from California (Mr. RADANOVICH).

Ms. PELOSI. Mr. Chairman, I yield to gentleman from New Jersey (Mr. MENENDEZ).

Mr. MENENDEZ. Mr. Chairman, I am sorry the distinguished chairman of the Committee on Appropriations took such umbrage. I was referring to remarks made by previous speakers. I am glad to hear that the chairman says that no person in this country whose ethnic heritage is such that they should be diminished versus a U.S. company, but one of his previous speakers from his side of the aisle suggested that. So I hope that he takes his umbrage to his colleague and suggests to him that that type of suggestion is inappropriate for the Chamber and inappropriate insofar as that we do not want to make citizens in this country, because they come from a certain lineage, second-class citizens. I agree with him.

On the question of oil, my simple suggestion is, there clearly has been various mentions of the question of the access to oil and the concern from it. That is a legitimate issue and interest of the United States, but the question is, does it rise to the national interest, the national security interest, and is this our beacon of light for U.S. foreign policy? I think that those are legitimate issues to raise.

I thank the distinguished gentlewoman from California for yielding to me.

Ms. PELOSI. Mr. Chairman, I do want to make a couple of points, following up on what I have heard in the recent debate here.

□ 1700

Mr. Chairman, I rise in opposition to the position of the gentleman from Louisiana (Mr. LIVINGSTON) and in support of the amendment on the floor to restore the 907 provision to this bill.

But I do agree with the chairman on a few points. One is that this region, the Armenia-Azerbaijan region, is a very important region of the world and policies there have serious ramifications.

I agree that we must be, in making our policy decisions, acting in the interest of the United States of America. And I believe that the makers of this motion are doing just that.

I understand that the chairman was dismayed when there was question of the motivation for the action taken in full committee, where 907 was repealed, and the motivation was attributed to the interest of the oil companies. I do not like questioning the motivation of our colleagues, and I understand the chairman's dismay. But I take issue also in the chairman's attributing motivation to those of us responding to the Armenian Americans in our country.

I will have to get time later to continue my point, but I support the amendment on the floor.

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

Mr. Chairman, as a member of the Committee on International Relations, I rise in strong support of language in the foreign operations bill that eliminates 907 of the Freedom Support Act and in opposition of efforts to strike this provision of the bill.

I do not think section 907 should have ever been in the law itself. I think it is regrettable that it was. I think the United States has to do everything it can to bring peace among all parties, and we know that is a troubled area in the world.

The gentleman from Missouri (Mr. IKE SKELTON), the ranking Democrat on the Committee on National Security, says this:

> Security matters remain a major issue in the region. The United States' ability to promote peace and economic reforms in the region are significantly hamstrung by section 907. The United States must be perceived by both Azerbaijan and Armenia as a truly neutral peace broker in its negotiations and approach to end conflict in the region. Section 907 damages U.S. national interest by undermining the administration's neutrality and promoting a settlement in that part of the world, an ability to encourage economic embroiled legal reforms in Azerbaijan, and efforts to advance an east-west energy transport corridor.

We all know, and even those on the other side know, that one of these days 907 is going to be eliminated. And why not now? Why do we want to wait another year, like some suggest? I think this is the opportunity we have this year to eliminate it.

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

Mr. CLEMENT. Mr. Chairman, I yield to the gentleman from Texas.

Mr. REYES. Mr. Chairman, I thank the gentleman from Tennessee for yielding to me, and I rise in opposition to this amendment and in support of the elimination of section 907 of the Freedom Support Act in the foreign operations appropriations bill.

I feel, Mr. Chairman, that we can no longer pursue a failed policy of prohibiting U.S. assistance to the government of Azerbaijan. The conflict between Azerbaijan and Armenia is difficult and complex, as we have heard this afternoon. However, retaining section 907 does not assist in the resolution of their dispute. Moreover, it does not serve our national interest and our foreign policy initiatives.

Section 907 limits our ability to be a neutral broker in the process of mediating the ongoing conflict. With section 907, we restrict our flexibility in dealing with a nation that is moving towards a market economy but, in the meantime, is greatly underdeveloped.

Last January I had the opportunity to visit Azerbaijan, and I can tell my colleagues that we can influence great change with the lifting of section 907. The nation is greatly underdeveloped, with weak institutions and basically a closed society. By lifting section 907, we could provide technical and economic assistance, which would provide reforms that would create a more open society and increase stability and promote regional cooperation.

While our foreign assistance to Armenia should remain in place, it is appropriate that at this time we move to

repeal section 907. For these reasons, Mr. Chairman, I ask that we defeat this amendment and restore section 907.

Mr. VISCLOSKY. Mr. Chairman, I move to strike the requisite number of words, and I rise in strong support of the Radanovich-Pallone amendment to preserve the humanitarian aid corridor.

I think I would want to begin my remarks by agreeing with one of the assertions made by the full committee chairman, the gentleman from Louisiana (Mr. LIVINGSTON), in indicating the bipartisan nature of this debate, the importance of the debate, and the fact that all of us have the same goal in mind, and that is energy security, from an economic and national security perspective, as well as the issue of peace. The debate that is taking place today is a debate about the difference of opinion as to how to achieve both those goals.

We have a situation in the Caucasus today that is not perfect; that if all of us collectively could affect, we would want to make perfect. We have a static situation that we want to move in the right direction, and that, again, is the question of the debate: What is the right direction.

I do want to make sure we put the debate in the proper perspective and to reflect on events of just an 11-day period of time 83 years ago, when on April 8th, tens of thousands of Armenian men were rounded up and shot. Hundreds of thousands of women, men and children were deported southward across the mountains to Silesia and Syria. On April 15th, the Armenians appealed to the German ambassador in Constantinople for formal German protection. The request was rejected on the grounds that it would be offensive to the Turkish government. By April 19th, 11 days later, 50,000 Armenians had been murdered.

Much has been said today during the debate about the war that is taking place today. In 1989, the government, not the people, the government of Azerbaijan began to kill Armenians because they were Armenians. A war took place because the Armenian government then began to defend itself and its people.

This Congress, President Bush, then signed into law the Humanitarian Aid Corridor in 1992. And progress was made 2 years later because there was a cease-fire put in place that, as I understand today, 4 years later, remains in place. I think all of us, again, regret that it is simply a cease-fire and not a lasting peace, but progress was made because of the actions of this institution and President Bush in 1992.

As many speakers have indicated before, this is not a question of are we wanting to cut off aid to Armenians. That is not the question. We do not want to do that. Do we want to cut off aid to the Azerbaijan people? We do not want to do that. We remain very concerned on our side of the issue about ensuring that the Azerbaijan government acts responsibly. And, as again a number of speakers have indicated, they have it within their power by the close of business today to end the blockade and to then have that relief money flow through their hands.

Over $130 million has been provided for Azerbaijan refugees over this period of time. And it is important for all of us to note that in 1995 the Armenian government indicated that they would allow relief supplies to flow through Armenia for the relief of Azerbaijan, in a remote area of that country, and the Azeri government refused to allow those goods and supplies to flow through Armenia. And I certainly question the government's, not the people's, intentions in this matter.

The issue is, and someone has used the illusion that we are beating up one of these parties; that we are hitting them with a stick; that we are being unfair. We have a cease-fire in place. People are not being killed. As has also been indicated, people have talked to each other. And I think at this particular moment, if we would now lift the restriction, without the lifting of the blockade, what we are saying to the Azeri government is it is okay to blockade other countries; it is okay to provide for the restriction of commerce, medical supplies and humanitarian aid; it is okay, pursuant to Ms. Albright's letter to this institution, to try to extort money from our government.

The chairman of the committee alluded earlier to the letter that Madeleine Albright, Secretary of State, sent to this institution. I find another passage very revealing.

Mr. Chairman, I simply would ask my colleagues to vote in favor of the Pallone-Radanovich amendment.

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

Mr. Chairman, I had prepared remarks, but I would like to use much of my time to respond to particular statements that have been made by opponents to the amendment.

The first is that it is the President, charged under the Constitution, with making United States foreign policy. This is indeed a misnomer, a statement found in many eighth grade civics books but never found in any Supreme Court opinion or found in the Constitution itself.

I commend those who oppose the amendment to the Barclays Bank case, decided by the Supreme Court a few years ago, in which the court recounts the very clear constitutional principle that foreign policy is to be made in the Congress and effectuated by the administration.

The second issue is that we are not talking here about money or aid going to Azerbaijan. That is all we are talking about. Section 907 restricts the transfer of U.S. tax dollars to the dictatorial regime in Azerbaijan. Those who want to talk about fiscal conservatism should draw the line here and say that the butchers in Baku should not get a single dollar of American tax money, at least while they blockade Armenia.

We are told that Armenia should be blamed for the refugees that exist in Azerbaijan, and our hearts go out to those refugees. But why are they refugees? Because of the policy of the dictatorial government in Baku.

We are told that where two countries are battling that we should be evenhanded. I have been very interested in the Middle East, and now and then we are told to be evenhanded between Israel and her enemies. We should not be evenhanded between the blockaded and the blockader. We should not be evenhanded between the perpetrator and the victim. We should not be evenhanded between Azerbaijan and Armenia.

We should remember, as the gentleman from Indiana pointed out, that the government in Azerbaijan, that some would say we should send money to, is the government that butchered people on the streets of Baku just a few years ago.

We are told that American policy tilts toward Armenia because of the activities of Armenian Americans. I would point out that American oil companies are at least as influential as Armenian Americans. The reason why our policy tilts toward Armenia is because Armenia is right and because their position reflects American values.

We are told that many in this House do not understand the oil, do not understand the strategic importance, the economic importance of the Newly Independent States and of Central Asia. I would say that that expertise resides in the Committee on International Relations. But this authorizing provision never went to the Committee on International Relations, and there is no better reason to adopt this amendment than to say that this issue should come from the committee of jurisdiction.

We are told that there are too many unilateral sanctions. Section 907 imposes no sanctions. Azerbaijan enjoys Most Favored Nation status with the United States. Those who care about fiscal conservatism should not embrace the language, the terminology, that says that it is sanctions against a country for us not to give them U.S. tax dollars.

Finally, I would like to point to the role of Joseph Stalin in this. Fifty years ago Joseph Stalin tried to strangle Berlin, and we responded with the airlift. Two generations earlier Joseph Stalin drew the borders of Azerbaijan and Armenia for the purpose of disenfranchising and leading to the oppression of Armenians in Nagorno Karabagh.

□ 1715

We did not let Joseph Stalin strangle Berlin and we should not allow those who walk in his footsteps, those who

served in his KGB, we should not let them strangle Armenia. Today there is an airlift to Armenia that should be unnecessary, because we should continue to tell Azerbaijan to stop blockading Armenia. We are told that the Armenians are intransigent and are unwilling to give up territory. Nothing is further from the truth. The government of Armenia is willing to trade land for peace, recognition and an end of this blockade.

Vote ''yes'' on the amendment.

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

I commend the gentleman from Louisiana (Mr. LIVINGSTON) for striking 907 in the bill. I believe the gentleman from New York (Mr. KING) also had a stand-alone bill and I commend him, also.

Let me just make two points. First of all, I was watching the debate earlier this afternoon and several folks made the point that in 8 to 9 years the folks in Azerbaijan had not made any movement. To me that is a sign of a failed policy and it demonstrates once again the problem of a unilateral sanctions policy that I think that people in this body are going to want to look at in the future.

The second point I would make is from the national security perspective. I suspect most of us know where Azerbaijan is. Their northern border is Russia, their southern border is Iran. It is a lot different being in their neighborhood than being between Canada and Mexico. In late March of this year, a shipment of 22 tons of stainless steel came south from Russia into Azerbaijan. It is a type of steel, a special type that is used for fuel tanks for Scud missiles. The Russian government had apparently been put on notice that this shipment may be coming from a company but it was able to get out of Russia nonetheless. Azerbaijan stopped the shipment within their country.

Now, what did they do? Did they call the Russian company and say, ''You've got this stuff mislabeled with phony labels, we've caught you, give us a bribe''? No. Did they call Iran and say, ''We've got your steel, let's make a deal''? No. They called the United States Customs officials and said, ''We think we've found something that may be of interest to you.'' The United States evaluated the steel and it turned out to be a type that is used in fuel tanks for Scud missiles, part of the Iranian missile development program. Does Russia reward this behavior for Azerbaijan? Of course not. This is a terrible embarrassment for Russia as it demonstrated once again that they have some problems in their export controls. Does Iran reward Azerbaijan and say thank you for stopping this import of this material we were trying to get from Russia so we could further develop missiles? Of course not. They needed that material. So what do we do? And what have we done? Nothing. We have not even bothered to pass a meaningless resolution thanking them for stopping this shipment that would have contributed to the development of the Iranian missile program. We can appreciate their courage, we can appreciate their location in a dangerous part of the world, but frankly that shows little benefit to a country in their particular geographic situation.

I am going to vote ''no'' on this amendment for those two reasons. It is a failed policy that demonstrates once again the problems with the United States unilaterally going it alone; and, number two, they ought to be rewarded for contributing to our national security and helping our United States Customs officials stop this type of steel from going into the Iranian missile development program.

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

Mr. Chairman, I have genuine respect for my colleagues who care deeply about human rights anywhere in the world. It is a noble cause to commit oneself to human and individual rights, whether we be talking about Nagorno-Karabagh, South Africa, Armenia, Azerbaijan, or frankly right here in the United States of America.

I know there has been much discussion today about the history of war and human rights in this area, in the area of the former Soviet Union. Frankly I would imagine that if the truth were to be known, there have been human rights abuses on both sides of this serious conflict between Azerbaijan and Armenia. I would imagine if the truth were to be known, we are not dealing with saints in either situation. I am not clear we will ever know the true history of some of the terrible human rights abuses in this part of the world. But what I do know is that this debate is not about who is for and who is against human rights in the world. I think this debate is about what is the best way, what is the best policy to bring about peace in a terribly critical part of the world, a strategic part of the world. For myself, I side with the Bush administration, the Clinton administration and our present Secretary of State in saying that 907 has not worked, it has not brought about peace, and that we should try repealing that particular sanction.

I would like to make one comment on a personal note about the whole energy question that has been brought up. Some have said, that those of us that favor repeal of 907 are fighting for the oil companies. This is not about who is for or against the oil companies. But I would like to talk about the importance to our national security of having an independent source of energy outside of the Middle East.

In 1991 when I voted to send American soldiers to fight against Saddam Hussein, we knew that we were sending soldiers to fight for, one, the democracy of Kuwait, but let us be honest, we were also fighting for stability in a part of the world where we depend upon their great resources of oil. I had to welcome back some of the families to Fort Hood in my district who were there to accept posthumously the silver medals and the bronze stars that were given to people, young men, who fought in that war. I had to see people come back in body bags rather than come home to families and communities to heroes' welcomes. The reason I say that is I think it is not just in the interest of the oil companies, far more importantly it is in the interest of American national security, and it is in the interest of those American soldiers who might have to go to other parts of the world like they did in 1991 in Kuwait and put their lives on the line if we do not diversify our source of energy. All it takes is one more war in the Middle East and unless we diversify our oil resources, we are going to have more soldiers from my district and citizens from your districts have to put their lives on the line to fight for, not oil companies but stability in the world economy and stability of our political system in the world. I think it is important in saying that in my opinion, repealing 907 perhaps will save some other young American soldier someday from having to come back to this country in a body bag or in a casket.

So while I have tremendous respect for all of those who fought mightily and successfully over the last several years for human rights in this part of the world, I think that policy has not worked. Peace has not prevailed because of that. It is time to change that policy, to have an evenhanded policy. In the eyes of the Bush and the Clinton administration now, let us push an evenhanded policy that has a chance of bringing about peace in that part of the world, a chance of stabilizing a critically important part of the world, and a chance of preventing American soldiers from having to go back to the Middle East someday and put their lives on the line. That, Mr. Chairman, I think is important.

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

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

Mr. GREEN. Mr. Chairman, I thank the gentleman for yielding. I share his concern. Not being on either foreign affairs committee but from the Committee on Commerce I have watched, and the concern I have is that when we are dealing with the central Asian republics and the republic of Turkey, we cannot continue to turn our back on this part of the world. That is why I rise and agree with my colleague from Texas.

Mr. PORTER. Mr. Chairman, I ask unanimous consent to strike the requisite number of words.

The CHAIRMAN. Without objection, the gentleman from Illinois is recognized for an additional 5 minutes.

There was no objection.

Mr. PORTER. Mr. Chairman, I think it seems clear to all of us here who

have talked about this issue and I think the debate has been a very good one, that we ought to be able to agree on at least three goals:

The first and most important goal is that we establish a condition of peace and normal relations between Armenia and Azerbaijan. That ought to be the highest priority for the United States. Secondly, that we do everything within our power to encourage the development of the Caspian oil fields controlled by Azerbaijan by American oil companies. And the third goal would be that the oil pipeline to carry that oil developed by American oil companies to market go through Armenia. That would be, Mr. Chairman, a win-win-win situation for Armenia, for Azerbaijan and for the American oil companies. Unfortunately, people in that part of the world do not necessarily see things the way we do in the United States where there is a win-win-win, and often it is seen that if one side gains, the other side loses and you have only out of that a stalemate.

Let us also agree that this administration's efforts in the peace process in that part of the world have been weak. This administration has not placed this at a high priority, has not done the kinds of things that can bring the parties to the table, and their latest ham-handed effort was to force concessions on the Ter-Petrossian government in Armenia that were not acceptable to the Armenian people which then caused that government to lose a vote of confidence, caused that government to resign and a new government, a new capable government to take charge, the Kocharian government which is in some ways, much to my chagrin, a much harder line government than the one that was previous to that. So have American efforts been good or have they worked? No, they have been poor and they have not worked. All of us ought to get on this administration to make this at a high priority.

Now, if someone is to act, should it be Azerbaijan or Armenia? We are engaged in this effort right now about repealing 907 because Azerbaijan says to the American oil companies, ''You can do business with us, but only if you get your government to repeal 907.'' We insist on the other hand that the Azeris themselves cause the repeal of 907 by simply saying, ''This blockade is over.'' They can do it tomorrow.

Mr. Chairman, this conflict began in 1988 with anti-Armenian pogroms in the Azeri city of Sumgait. Ethnic cleansing was going on there before it ever went on in Bosnia. A nation of 7.5 million people attacked 150,000 of their Armenian minority. And there was brutal ethnic cleansing going on when in 1992 Wayne Owens, a Democrat, offered on the floor of the House the Freedom Support Act and said, no American money should go to a government that is permitting and encouraging and causing this kind of ethnic cleansing. And when that government ceases to blockade Armenia and when it ceases other offensive actions, then 907 will cease to exist.

Unfortunately, Azerbaijan continues its strangling blockade on Armenia four years after a cease-fire had occurred, in 1994. The Azeris could declare that blockade over tomorrow and section 907 would cease to exist. Because of the blockades by Azerbaijan and Turkey, humanitarian and all other assistance, including U.S. aid, has to be routed through Georgia, costing additional time and money to our country trying to help people in need. The Azeris and the Turks could stop these blockades simply by declaring them over. Yes, Azerbaijan has oil reserves and yes, Armenia is landlocked and a resource-poor country that is very dependent upon foreign assistance to survive these blockades, and the Azeris could have stopped the blockade long ago and there would be no 907.

So should we today undo 907 gratuitously and give this repressive regime in Baku a victory they do not deserve? Should we side with a dictator?

The CHAIRMAN. The time of the gentleman from Illinois (Mr. PORTER) has expired.

(By unanimous consent, Mr. PORTER was allowed to proceed for 2 additional minutes.)

Mr. PORTER. Should we side with the intransigent party? Should we side with the aggressor in a brutal war of ethnic cleansing? Should we side with an administration that cares nothing about its own refugees from the war? Should we side with a government that many believe is very corrupt? If so, you should vote against the Radanovich amendment.

□ 1730

Or should we at this point in time continue to side with the government that is moving more than any other in the region toward democracy? Should we side with people who are the victim of brutal aggression? Should we side with a party more willing to negotiate face to face and asking for face-to-face negotiations among the parties that are refused by the other side?

Should we side with people who share our values? And should we then all insist that this administration move this to a high priority and bring the parties to the table, and have them both give up a little bit so that each can win, along with the United States as well?

Mr. Chairman, I think that we have to continue within 907, that 907 gives us the leverage to work and force the Azeris to make the concessions they ought to make, and I insist that this administration put this at the highest possible level and make the three goals that I outlined originally work. That is, peace and the normal relationship between these two very fine countries, a development of the oil field by the American oil companies, and by the building of a pipeline through Armenia.

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

Mr. Chairman, Barbara Tuckman once wrote a book about how governments through the ages have acted in their own noninterest. To adopt this amendment would not be in the interests of the United States of America. To adopt this amendment will not be in line with what we have as our goals in this world and to help shape a region to make it more stable and secure.

We are confident that genuine independence and peace and prosperity for the nations in the southern area of the Caucasus and central Asia allows them to resist aggressive Iranian and Russian pressure, promises of American national interests.

It is important that we understand what is at stake here. The gentleman from Illinois (Mr. PORTER) spoke about a pipeline that might go through Armenia. What if that pipeline went through Iran? That will not be in our self-interest at all. Why do we shove our allies, our friends, those that did us a favor and do favors for us, why do we shove them, if this amendment is adopted, toward the country of Iran? We know what it has done. There is terrorism in the area of squashing human rights.

We must also think of our ally of Israel. It is interesting to read a letter from the Conference of Presidents of American Jewish Organizations that speaks on this issue and says that we must promote what is in the base bill for the interest of Israel as well.

Azerbaijan has resisted all efforts to locate foreign troops on its territory. It has resisted the Fundamentalist government. Azerbaijan has also been strongly supportive of the Organization for Security and Cooperation in Europe's Minsk group, and the United States of America is a co-chair of that Minsk group.

I think it behooves us to realize what is really at stake. Do we want to further American interests in this area, or do we by this wish to help the Iranian interests in this area?

I think that the gentleman from Louisiana (Mr. LIVINGSTON) is right. What he and his committee put into the base bill is correct. I fully support what is in this bill, and I will vote with the chairman and his committee against this amendment.

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

Mr. Chairman, I yield to the gentleman from Louisiana (Mr. LIVINGSTON) the chairman of the full committee, to continue the presentation that he was making earlier.

Mr. LIVINGSTON. Mr. Chairman, I thank my friend for yielding, and I will be brief. I just thought it was important to sum up my feelings that 907 undermines the neutrality of the United States with respect to the conflict between Armenia and Azerbaijan. We want both countries to be our friends, and we want to extend the hand of friendship to both countries, but 907 puts us in the position of slapping the

hands of the Azeris while extending the hand of friendship to the Armenians.

Secretary Albright understands that. That is why she supports the repeal of 907. The American Jewish Congress, the American Jewish Committee, the Anti-Defamation League, the B'nai B'rith, the National Conference of Soviet Jewry, they understand that proposition, as well as the importance to Israel, that we need to be neutral in our approach to both countries.

I have heard a lot of arguments about how we made no progress over the years and therefore we should maintain Section 907 to sanction Azerbaijan. The gentleman from Arkansas pointed out that even then, Azerbaijan has been very helpful in working out matters of great importance to the United States.

I would refer my colleagues again to the New York Times International, Monday, September 14, 1998, page A–6. The fourth and fifth paragraphs relate to the first movement, the first glimmer of hope for the settlement of the dispute between Azerbaijan and Armenia. Admittedly, with Section 907 in place, there has been no hope. Now that we are talking about getting rid of Section 907, the New York Times says:

> There has been no settlement or no substantial movement toward a settlement of the conflict, and the sides remain so far apart that some fear another war. But last Monday, the Prime Minister of Armenia, Armen Darbinyan, flew to Azerbaijan to attend a regional trade conference.
>
> Before meeting privately with his guest, President Heydar Aliyev of Azerbaijan told reporters that he looked forward to ''the restoration of friendship between Azerbaijan and Armenia in the context of a peaceful resolution in Nagorno Karabagh.'' It was the first time in memory he had made such a statement.

We have progress now. The progress can be continued, but we need to lift Section 907, not reinstate it. If this amendment is adopted, it will be maintained as if nothing had happened, and the chances for progress in that part of the world will not likely be any more prominent, any more effective, than they have been since 1992.

It is in the interests of the United States, it is in the interests of Israel, it is in the interest of all American and Israeli citizens, it is in the interest of the entire Western civilized world that peace comes to the Caucasus and peace comes to central Asia. And the only way we can do that is to deal evenhandedly with two countries, both of which should be our friend, and neither of which should be hostile to us nor should we be hostile to them. But that can only come to pass if we repeal Section 907 and reject this ill-conceived amendment.

Mr. YOUNG of Florida. Mr. Chairman, I support the realistic approach of the gentleman from Louisiana (Mr. LIVINGSTON) to this whole issue dealing with Section 907.

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

Mr. Chairman, I want to first apologize to the gentleman from Louisiana (Mr. LIVINGSTON) for not allowing him to speak beyond the 5 minutes, and I am glad to see that we are talking extra time at this point, because I think everyone should be allowed to speak for as long as they want this evening.

I do want to say, though, that the notion that somehow the United States and the State Department have been taking a neutral position and that somehow the existence of 907 tilts us towards Azerbaijan or tilts us toward Armenia is simply not true. The United States is not neutral between these two countries. The U.S. has clearly taken a pro-Azeri position from the very beginning, and this administration and the State Department continue to take a pro-Azeri position.

I say that because they tried to impose a settlement in Armenia with regard to Nagorno Karabagh that was not acceptable. They did not and they continue not to recognize the territorial integrity of Nagorno Karabagh, which existed as an entity even during the Soviet era. And the United States clearly and the State Department clearly have not taken the position that is supportive of Armenia.

I am very afraid that by repealing section 907, we would be sending a clear signal to Azerbaijan that we are 100 percent supportive of their position and, as a result, they would have absolutely no incentive to try to resolve the conflict in the Caucasus, to try to resolve the conflict in Nagorno Karabagh and make peace ultimately with Armenia.

Let me just address a few other things that were mentioned here tonight. I know a few of the speakers said we should not look at human rights abuses because they have existed on both sides. If we take that position, we are denying the historical fact of the Armenia genocide, and that is why so many people on our side of the aisle who are pro-Armenia feel so strongly about what is going on there.

Nagorno Karabagh was attacked by Azerbaijan. They suffered an aggressive attack by the Azeris and by Azerbaijan as a nation, and they had to defend themselves. The aggressor here was Azerbaijan. The aggressor historically in that area has been either the Azeris or the Turks, and to suggest that somehow this blockade which prevents humanitarian assistance from going to Armenia is not in some ways a continuation of that historic genocide is a denial of history.

That is why we cannot allow this section 907 to be repealed, because otherwise the people of Armenia will continue to suffer and will not receive humanitarian assistance.

Let me talk about the energy issue. I understand that some people feel that we should not discuss the energy issue here, but others have brought it up and talked about our energy dependence. The bottom line is that if we repeal section 907, we create no incentive for Azerbaijan to share its oil resources in the Caucasus region and to work with Armenia, which suffers an energy crisis. And right now, there is absolutely nothing that would prevent Azerbaijan from building a pipeline through Nagorno Karabagh, through Armenia and down to the Mediterranean. That is the direct way to do it, that is the easiest way for that pipeline to be built.

Armenia has said historically that they would like to share energy resources and work with Azerbaijan in terms of a free flow of oil to the West. If we repeal section 970, we create no incentive for using that oil in a cooperative way within the Caucasus countries. That is the kind of signal that we are going to send.

And lastly, let me talk about the peace process, because some of my colleagues on the other side have said that somehow repealing 907 will lead to peace. That is not the truth. What they are doing here is rewarding the aggressor. They are telling the country that attacked the Armenians in Nagorno Karabagh, they are telling the country that continues to blockade, that they are going to be rewarded by repealing section 970.

We know historically that appeasing the aggressor does not work. It did not work in the case of Chamberlin. And what did we get? We ended up killing 6 million Jews in the Holocaust in Nazi Germany because we appeased the other side. We appeased Adolf Hitler. Start that policy of appeasement again, and we will see another genocide in the Caucasus, we will see a continual genocide of the Armenian people.

I do not think that it is fair for people to ignore the historical reality of what is going on here, and if we want to achieve a policy where these three Caucasus nations work together, then do not reward the aggressor.

□ 1745

Do not reward the country that is continuing the blockade. Let these countries work together. Let the United States show that it can be neutral and work equally with the other countries. There is nothing to stop the United States from telling Azerbaijan that they should share their resources, their energy resources and work with Armenia and the other Caucasus nations.

The U.S. is powerful enough to basically give the signal to Azerbaijan that if they do not lift this blockade, that we will not continue to support them, and that is what we should be sending, that signal to Azerbaijan.

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

Mr. Chairman, I do appreciate the fine arguments of my friends from across the aisle, and with great due respect to the chairman of the Committee on Appropriations, I do have to say that the bottom line I think of this legislation is fairness, and I really believe that it is unfair for a country like

Azerbaijan to block the foreign aid of another country, Armenia, when they are receiving foreign aid themselves. This is an issue of an equal playing field in that region of the world. Section 907 protects an equal playing field.

In closing I just want to say it protects a level playing field, and with all due respect, we should not be blocking the foreign aid of one country to another. This preserves that level playing field in that region of the world, and I urge my colleagues to vote for this amendment.

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

Mr. Chairman, I yield to the gentlewoman from California (Ms. PELOSI).

Ms. PELOSI. Mr. Chairman, I thank the distinguished gentleman from Illinois (Mr. YATES) for yielding, and I want to just convey a few thoughts at the end of this debate.

First of all, may I identify my opposition, with reluctance, to the initiative as our distinguished chairman of the full committee, the gentleman from Louisiana (Mr. LIVINGSTON). He knows the high regard in which members of the committee, including myself, hold for him, and I regret having to oppose his well-intentioned initiative, which was successful in full committee.

I commend the gentleman from California (Mr. RADANOVICH), the gentleman from Indiana (Mr. VISCLOSKY), the gentleman from New Jersey (Mr. PALLONE) and others who have been part of putting this amendment forward to repeal the repeal of Section 907.

I think that some of the statements that have been made here today have been very useful and this debate has been useful. It certainly has focused the attention of our colleagues on a very important region of the world, and one which has emerging challenges for us. So in that regard, this debate has been very helpful, because it has been very educational on both sides of the issue.

Frankly, both sides have very legitimate arguments about Section 907. However, I come down in favor of the amendment offered by the gentleman from California (Mr. RADANOVICH) and commend him for his leadership in putting it forward.

Mr. Chairman, the gentleman from New Jersey (Mr. PALLONE) in his remarks laid out the issue very clearly. The gentleman from Illinois (Mr. PORTER) earlier laid out the issue I think very clearly, as did many of our colleagues in the course of the debate. So I will not revisit that, except to say very simply that this Section 907 was put into place because there was a blockade of humanitarian assistance. The blockade was by Azerbaijan and Turkey for assistance going to Armenia. The minute the blockade is lifted, Section 907 is lifted. So this is about balance. I do not understand how this new amendment came to the full committee where we said, let us be fair, let us lift Section 907, and let us leave the blockade in place. It seems to me we have balance here with Section 907.

As my colleagues know, some of the Section 907 provisions were relaxed in the course of time. We said that assistance could go to NGOs in the region, nongovernmental organizations in the region, but not to the Azeri government. There were concerns that people had of uncertainty about the leadership in Azerbaijan: the President had been the head of the KGB when Azerbaijan was part of the Soviet Union. So there were serious questions about human rights and Democratic freedoms in Azerbaijan, but the main issue was the blockade.

Through the leadership of the gentleman from Virginia (Mr. WOLF), Section 907 was further relaxed when he visited there, saw that the Azeri refugees needed assistance too, and we knew that, but he brought the story back firsthand, that certain assistance could not reach them through the nongovernmental organizations. Some aid had to go through the government. So we agreed, under the gentleman's leadership, we agreed to this relaxation so that humanitarian assistance would be delivered through NGOs wherever possible, and if not, in some instances through the government. So everyone has been open to this being an effective tool for balance in the region.

One more point about the peace process. There is a Minsk process in place which some Members have addressed here, and the 907 is a motivation for the Azeris to participation in the Minsk process which could bring peace to the region. Our humanitarian assistance and our cooperation with all the other countries in the region, whether it be Armenia, Nagorno Karabagh or Azerbaijan, should be related to their willingness to participate in the peace process.

So in terms of substance, I think Section 907 is the motivation to keep the Azeris at the table, and again, would be lifted when the blockade is lifted. So much for the substance. Our colleagues who are very familiar with this issue have presented it very, very clearly before us, but I just wanted to put that in perspective a little bit.

Now, in terms of some of the debate that has gone on here today about questioning motivation. Since the oil companies have been interested in Azerbaijan, there has been a heightened awareness of Azerbaijan and the need by some to lift the Section 907. I am not questioning anybody's motivation here today; I think there are legitimate arguments on both sides. However, I want to say 2 things.

My chairman knows what high regard, the gentleman from Louisiana (Mr. LIVINGSTON) knows what high regard I hold for him. But for him in the same remarks to be expressing his dismay at the suggestion that the oil companies were influencing our decision and then questioning the motivation of our colleagues, saying that they are motivated because there are Armenian Americans in their community

The CHAIRMAN. The time of the gentleman from Illinois (Mr. YATES) has expired.

(By unanimous consent, Mr. YATES was allowed to proceed for 2 additional minutes.)

Mr. YATES. Mr. Chairman, I yield to the distinguished gentlewoman from California (Ms. PELOSI).

Ms. PELOSI. Mr. Chairman, I thank the gentleman, and I thank my colleagues for their indulgence.

For the distinguished chairman to be questioning the motivation of our colleagues because they are motivated by the Armenians in their community, and in the same presentation talk about the American Jewish Committee, the American Jewish Congress, the Anti Defamation League, B'nai B'rith, who are on his side of the issue, I think is not fair. I think it is contradictory. The fact is that the American Jewish Committee and the Anti Defamation League, the American Jewish Congress and B'nai B'rith have every right to express their view on this subject, but do not say the Armenian Americans are not an appropriate motivation for Members to come to this floor, but these other groups are. We welcome their input anywhere in the world starting, of course, with Israel, and if they care to intervene in some other area of the world, they have a right under our law to do that, and I respect that. But I hope that the rights of Armenian Americans would be respected as well.

My final point is that I listened attentively as the distinguished chairman spoke about this as something that the administration wants and we cannot tie the administration's hand, and that Secretary Albright is for this. Well, that is interesting. That is very interesting, and I would like to, for the record, just talk for a moment about the statement of administration policy about this bill, because Secretary Albright and the President of the United States are concerned about the dollar amount in this bill, but that interest seems to be ignored by the same chairman who was using them as an authority for why we should go forward with lifting Section 907.

The administration strongly opposes Mexico City restrictions, as they say in this. The administration strongly objects to the committee's action to leaving U.S. funds for the Korean Peninsula Development Organization, including language prohibiting the President from exercising his authority to transfer funds from other sources for this purpose, and it goes on and on. The administration objects to the low figure for the New Independent States, and are concerned about the low funding for economic support.

So if we are going to use giving the administration a free hand, we have to go across the board with that. And with that, since my time has expired, I urge my colleagues to support the amendment.

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

Mr. Chairman, I yield to the distinguished gentleman from Alabama (Mr. CALLAHAN), the chairman of the subcommittee.

Mr. CALLAHAN. Mr. Chairman, I thank the gentleman for yielding. I think that we are nearing a closure on this debate, but I certainly would agree with my colleague, the gentlewoman from California (Ms. PELOSI), that this is what the Congress is all about. This has been a very spirited debate, and we have people on both sides of the aisle who feel very serious about their view on this.

But let us not lose sight of our mission. Do my colleagues think for one moment that anybody who is in favor of the lifting of this ban against Azerbaijan is really against any human rights help? Do my colleagues think that we have any mission other than peace? No. This is an avenue for peace, and that is what this debate is all about. We are not here saying that we favor Azerbaijan over Armenia, or vice versa. We are not talking about money, because we do not give money to Azerbaijan, nor does Azerbaijan want money. We are here about talking about a possible avenue of peace.

They have a group called the Minsk Group, and that group is trying to establish a process where they will sit down at a table and they will sign an agreement. When that happens, this war that has been going on for so many years will end through negotiations. But the administration, Secretary Albright and the President, tell us that the administration cannot create this peace document that both sides will sign, unless indeed this is lifted. It is an unfair advantage that the Armenians have. But it is not a question of whether one is pro-Armenian or pro-Azeri. That is not the question.

The question is, what is the best possible avenue to finally have a peace agreement signed, drafted and signed by both parties, and as a result of that, create an opportunity for Azerbaijan to ship their oil through Armenia, hopefully someday, into the straits whereby it can be utilized by the western world, instead of the opposite direction of it going through China and being totally utilized by the Chinese.

So it has been a very spirited debate. I encourage my colleagues to go along with the gentleman from Louisiana (Mr. LIVINGSTON)'s plan to help in this peace process, and the way to do that is to vote ''no'' on this amendment and to give the administration the ability they have to effectuate a peace in this region that has been fighting for so many decades.

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

Mr. Chairman, picking up on the comments of the previous speaker, let me state that I am not speaking in a pro-Armenian mode or a pro-Azeri mode. I am trying to be pro-American and pro-American values.

I think the question before this House on this issue is whether or not, when we look at this or any other region of the world, we look at it in terms of what all of our values are, or whether we will, in fact, simply look at a region in terms of our economic or materialist values.

It seems to me that we have to have a flexible view of our insistence on human rights. The best writing I ever saw on the subject of human rights was by Father Brian Hehir, who was the driving force behind the creation of the Catholic Bishop's document on nuclear war.

□ 1800

He observed in that statement that we had an obligation in promoting human rights to take into account both our ability to affect the situation and other considerations that impacted on the world's safety, the possibility of war, and our own security.

The point he made is that there are some occasions when other issues are so overriding, such as the necessity to prevent the proliferation of nuclear weapons or the use of those weapons, that perhaps human rights have to take a second or third seat on the train.

But when those issues are not at stake and we have a greater ability to press for human rights without interfering with our security or other values, then we have an obligation to do so. I think we face that situation in this instance.

I have often been at odds with representatives of the American-Armenian community because I have never favored earmarking funds in any foreign aid appropriation bill for anybody. An earmark means that you require the President to spend at least a certain amount of money. I have always been opposed to that for Armenia or anybody else.

But on this issue, while I must confess to a certain degree of uncertainty because there are value judgments on both sides that are important, in the end I come down on the side of the amendment simply because I think that whether we are talking about the Executive Branch of government or the Legislative Branch of government, that all too often in this country and in our political system, when big business and big dollars speak, we tend to listen to them more than we do any other sector of our society. I think that is wrong.

Does anybody really believe this amendment would have a chance of a snowball in Hades if we did not have a list of 14 oil companies who were lobbying for it? I do not say that to question the motive of any Member, because there are a good many other reasons for Members to be for this amendment.

But when we see that we do have the Amoco, Exxon, Mobile, Penzoil and a number of others interested in seeing us change our position, then we see a likelihood that Congress will switch its position.

But if we have other regions of the world where we do not have large economic players, then we do not pay any attention to them. I think that that represents a gap in what our values ought to be. I think that the best thing to do is to stick with the policy that we have stuck with the last 2 years. Support the amendment.

Mr. GEPHARDT. Mr. Chairman, I rise in strong support of this amendment, which would restore Section 907 of the Freedom Support Act.

Over the past several years, the people of the Caucasus have suffered terribly ongoing military conflict in the region. Of particular concern, the extreme hardship and deprivation endured by the people of Armenia and Nagorno Karabakh defy both American and international norms regarding the human rights of innocent civilians.

Recognizing the humanitarian needs of the Armenian people, U.S. Government has endeavored to provide assistance to the innocent victims of the conflict. Unfortunately, the delivery of much of this aid continues to be stymied by Armenia's neighbors.

I have often spoken out against nations which have attempted to interfere with U.S. humanitarian effort around the world. I supported the Humanitarian Aid Corridor Act in 1995 and its strengthening in 1997, which banned aid to nations which block shipments of U.S. humanitarian assistance to other countries.

The United States government has concluded an ongoing effort to promote peace and reconciliation between Armenia and Azerbaijan, both to end the human suffering and to achieve stability in the region. At this time, it would not be advisable to unilaterally eliminate the diplomatic tool that it embodied in Section 907 of the Freedom Support Act. This tool is intended to provide an incentive for peace, and I hope it will continue to be used effectively to that end.

I urge your support of this amendment.

Mr. MCKEON. Mr. Chairman, I rise in strong support of the Porter-Radanovich amendment to maintain section 907 of the Freedom Support Act.

As Members know, Armenia is a landlocked country in the Caucasus that in 1991 finally achieved its long-sought goal of independence. Unfortunately, geography and conflicts with its neighbors has prevented the Armenian economy from flourishing. Armenia wants nothing more than a resolution to the conflicts with its neighbors.

However, these neighbors must also be willing to negotiate with Armenia in good faith. Maintaining section 907 is essential to ensuring that there is a good faith peace process between Armenia and Azerbaijan.

Vote in favor of section 907.

Support the Porter-Radanovich amendment.

Mr. MCGOVERN. Mr. Chairman, I rise in support of the amendment offered by my colleagues Rep. PALLONE and Rep. RADANOVICH to overturn the repeal of Section 907 in the fiscal year 1999 foreign operations appropriations bill and restore the original language that has been in law since 1992.

Section 907 was adopted by Congress in 1992 as the Freedom Support Act and signed into law by President George Bush. It has always enjoyed strong bipartisan support. It provides guidelines for U.S. foreign aid to the

New Independent States and places restrictions on U.S. government-to-government aid to Azerbaijan until that country ends its aggression and lifts its illegal blockades against the Republic of Armenia and Nagorno-Karabagh.

Since 1992, the U.S. has been able to provide over $130 million in humanitarian and exchange assistance to Azerbaijan through nongovernmental organizations and private voluntary organizations. Section 907, therefore, has not been an impediment to humanitarian and community-based development assistance for the Azeri people.

During that same time frame, the people of Armenia have established democracy, engaged in free elections, and undertaken market reforms. The people and Government of Armenia would like to integrate the Armenian economy with the West, but has been blocked in these efforts by the continuing blockade of Azerbaijan. For the past nine years, Azerbaijan has blockaded Armenia and Nagorno-Karabagh, cutting off the transport of food, fuel, medicine and other vital supplies.

For its part, the Azerbaijan government remains authoritarian and continues to use blockades and force against the Armenian people and the people of Nargorno-Karabagh, thus failing to live up to the basic condition set forth in U.S. law. To date, the Azerbaijani government has taken no demonstrable steps to lift these illegal blockades. Furthermore, the U.S. State Department's Country Reports on Human Rights Practices for 1997, the Amnesty International Report 1998, and the Human Rights Watch Report 1998 have all documented the Azerbaijani government's human rights violations, its censorship of the media, and widespread police brutality.

On the eve of upcoming elections in Azerbaijan, it would be unconscionable to repeal the democratic and non-aggression requirements embodied in Section 907. The corrupt and authoritarian government of former KGB General Geidar Aliyev would view the repeal of such restrictions as a ''green light'' for his undemocratic practices. Indeed, Azerbaijan's major opposition parties are boycotting the elections and have issued a joint statement denouncing the electoral framework as unfair and undemocratic. These political parties have called upon President Clinton to help the Azeri people overcome the current ''atmosphere of dictatorship.'' The Congress must not ignore the democratic aspirations of the Azeri people.

So, why are we faced with the possible repeal of Section 907? For oil, Mr. Speaker, for Caspian oil. For the profits, Mr. Speaker, to be gained from ''black gold.'' Oil companies have been lobbying heavily in support of a repeal or the weakening of Section 907 so that an east-west pipeline might be built to bring projected, but still undiscovered, Caspian oil out of Azerbaijan to Turkey and out to the West.

So while the energy benefits of repealing Section 907 are largely speculative, the political consequences are clear and concrete: Continued repression in Azerbaijan; continued suffering and hardship in Nagorno-Karabagh and Armenia; compromise the ability of the U.S. to maintain its role as ''impartial mediator'' in the Caucasus; and jeopardize further regional security.

Mr. Chairman, the only hope for lasting peace and stability in the Caucasus is to retain Section 907. The only choice in support of human rights and democracy is to retain Section 907.

I urge my colleagues to support the Pallone-Radanovich amendment and overturn the repeal of Section 907.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Illinois (Mr. PORTER).

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

RECORDED VOTE

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

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 231, noes 182, not voting 21, as follows:

[Roll No 447]

AYES—231

Abercrombie
Ackerman
Andrews
Baesler
Barcia
Barrett (NE)
Barrett (WI)
Bass
Becerra
Berman
Bilbray
Bilirakis
Bishop
Blagojevich
Bliley
Blumenauer
Boehlert
Bonior
Bono
Borski
Boucher
Brown (CA)
Brown (FL)
Brown (OH)
Burr
Camp
Capps
Cardin
Carson
Castle
Chenoweth
Christensen
Clayton
Clyburn
Coble
Condit
Conyers
Cook
Costello
Cox
Coyne
Crapo
Cubin
Cummings
Cunningham
Davis (IL)
Davis (VA)
DeFazio
DeGette
Delahunt
DeLauro
Diaz-Balart
Dicks
Dingell
Dixon
Doggett
Dooley
Doolittle
Doyle
Dreier
Duncan
Ehlers
Ehrlich
Engel
English
Ensign
Eshoo
Etheridge
Evans
Farr
Fattah
Fazio
Filner
Ford
Fossella
Fox
Frank (MA)
Franks (NJ)
Frelinghuysen
Furse
Gallegly
Ganske
Gejdenson
Gilchrest
Gilman
Goode
Gutierrez
Gutknecht
Hall (OH)
Hall (TX)
Hayworth
Hefner
Hilleary
Hinchey
Hinojosa
Hoekstra
Holden
Hooley
Horn
Hostettler
Houghton
Hoyer
Hunter
Hyde
Jackson (IL)
Johnson (CT)
Johnson (WI)
Jones
Kelly
Kennedy (MA)
Kennedy (RI)
Kildee
Kilpatrick
Kim
Kind (WI)
Kleczka
Klink
Knollenberg
Kucinich
LaFalce
Lazio
Leach
Lee
Levin
Lipinski
LoBiondo
Lofgren
Lowey
Maloney (NY)
Manton
Markey
Mascara
Matsui
McCarthy (MO)
McCarthy (NY)
McCollum
McDade
McDermott
McGovern
McHale
McHugh
McIntyre
McKeon
McKinney
McNulty
Meehan
Meeks (NY)
Menendez
Mica
Millender-McDonald
Miller (CA)
Mink
Moakley
Mollohan
Moran (VA)
Morella
Neal
Neumann
Ney
Norwood
Oberstar
Obey
Olver
Owens
Pallone
Pappas
Pascrell
Pastor
Paul
Payne
Pelosi
Peterson (MN)
Pitts
Pombo
Porter
Price (NC)
Radanovich
Rahall
Ramstad
Rangel
Rivers
Rogan
Ros-Lehtinen
Rothman
Roukema
Roybal-Allard
Royce
Sanders
Sawyer
Schaffer, Bob
Scott
Sensenbrenner
Serrano
Shays
Sherman
Sisisky
Skaggs
Slaughter
Smith (MI)
Smith (NJ)
Smith, Adam
Smith, Linda
Souder
Stabenow
Stark
Stokes
Strickland
Stupak
Sununu
Talent
Thomas
Thompson
Tierney
Torres
Towns
Upton
Velazquez
Vento
Visclosky
Walsh
Waters
Watt (NC)
Waxman
Weldon (PA)
Weller
Weygand
Wolf
Woolsey
Wynn
Yates
Young (AK)

NOES—182

Aderholt
Allen
Archer
Armey
Bachus
Baker
Baldacci
Ballenger
Barr
Barton
Bateman
Bentsen
Bereuter
Blunt
Boehner
Bonilla
Boswell
Boyd
Brady (PA)
Brady (TX)
Bryant
Bunning
Burton
Buyer
Callahan
Calvert
Campbell
Canady
Cannon
Chabot
Chambliss
Clement
Coburn
Collins
Combest
Cooksey
Cramer
Crane
Danner
Davis (FL)
Deal
DeLay
Deutsch
Dickey
Dunn
Edwards
Emerson
Everett
Ewing
Foley
Forbes
Fowler
Frost
Gekas
Gibbons
Gillmor
Goodlatte
Goodling
Gordon
Graham
Granger
Green
Greenwood
Hamilton
Hansen
Harman
Hastert
Hastings (FL)
Hastings (WA)
Hefley
Herger
Hill
Hobson
Hulshof
Hutchinson
Inglis
Istook
Jackson-Lee (TX)
Jefferson
Jenkins
John
Johnson, Sam
Kanjorski
Kaptur
Kasich
Kingston
Klug
Kolbe
LaHood
Lampson
Lantos
Largent
Latham
LaTourette
Lewis (CA)
Lewis (KY)
Linder
Livingston
Lucas
Luther
Maloney (CT)
Manzullo
Martinez
McCrery
McInnis
McIntosh
Metcalf
Miller (FL)
Minge
Moran (KS)
Murtha
Nadler
Nethercutt
Northup
Nussle
Ortiz
Oxley
Packard
Parker
Paxon
Pease
Peterson (PA)
Petri
Pickering
Pickett
Pomeroy
Portman
Quinn
Redmond
Regula
Reyes
Riley
Rodriguez
Roemer
Rogers
Rohrabacher
Ryun
Sabo
Salmon
Sandlin
Sanford
Saxton
Scarborough
Schaefer, Dan
Sessions
Shadegg
Shaw
Shimkus
Shuster
Skeen
Skelton
Smith (OR)
Smith (TX)
Snowbarger
Snyder
Solomon
Spence
Spratt
Stearns
Stenholm
Stump
Tanner
Tauscher
Tauzin
Taylor (MS)
Taylor (NC)
Thornberry
Thune
Thurman
Tiahrt
Traficant
Turner
Wamp
Watkins
Watts (OK)
Weldon (FL)
Wexler
White
Wicker
Wilson
Wise
Young (FL)

NOT VOTING—21

Bartlett
Berry
Clay
Fawell
Gephardt
Gonzalez
Goss
Hilliard
Johnson, E. B.
Kennelly
King (NY)
Lewis (GA)
Meek (FL)
Myrick
Poshard
Pryce (OH)
Riggs
Rush
Sanchez
Schumer
Whitfield

□ 1823

Messrs. SKEEN, WELDON of Florida, FOLEY, PEASE, PETERSON of Pennsylvania, SCARBOROUGH, and NADLER changed their vote from ''aye'' to ''no.''

Mrs. CLAYTON and Messrs. SHAYS, CUNNINGHAM, RAHALL, YOUNG of Alaska, FOSSELLA, and DICKS changed their vote from ''no'' to ''aye.''

So the amendment was agreed to.

The result of the vote was announced as above recorded.

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

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

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

Mr. PORTMAN. Mr. Chairman, I thank the gentleman from Alabama (Mr. CALLAHAN) for yielding to me, and I would like to enter into a colloquy with the gentleman.

Earlier this session, as the gentleman knows, by a vote of 356 to 61, this Congress passed and the President signed into law the Tropical Forest Conservation Act of 1998. This law provides the administration with the authority to reduce debt where appropriate for less developed countries that have globally outstanding tropical forest with the intention of protecting these valuable and rapidly dwindling natural resources.

Mr. Chairman, $50 million was authorized for this new program for this year. While I am disappointed that those funds are not included in the pending appropriations bill, I realize that the authorization was enacted into law after the subcommittee completed its work and that budget constraints make it difficult to fund new programs this year.

I would still hope, Mr. Chairman, that something could be worked out with the Senate. But in any case, it is my sincere hope that the House Committee on Appropriations will be able to fund this program in the next budget cycle.

There is a provision of the recently enacted law that can be implemented at no cost to the U.S. Treasury. This provision amends section 808 of the Foreign Assistance Act to authorize common sense and cost-free debt-for-nature swaps and debt buybacks. However, I have been informed that in order to implement this provision, a technical amendment must be made to the appropriation for ''debt restructuring'' in the current appropriations bill.

I realize that the gentleman from Alabama is not entertaining legislative amendments, and I respect that. However, I would inquire of the subcommittee chairman, the distinguished gentleman from Alabama, if this critical change could be made in a conference committee with the Senate.

Mr. CALLAHAN. Mr. Chairman, reclaiming my time, I appreciate the inquiry of the gentleman from Ohio. First of all, I would like to congratulate him on his success in achieving enactment of his legislation. It had broad bipartisan support and should make a real difference in tropical forest conservation.

Second, I am aware that the bill authorizes debt swap at no cost to the Treasury. Even though no appropriation is required, legislative language is necessary in this bill in order to allow the Treasury Department to implement this provision. I can assure the gentleman from Ohio that I will make every possible effort to ensure that this language is included in any final appropriation legislation that is sent to the President.

Mr. PORTMAN. Mr. Chairman, if the gentleman would continue to yield, I deeply appreciate those assurances from the gentleman from Alabama and I look forward to continuing to work closely with him in the future in implementation of the Tropical Forest Conservation Act.

AMENDMENT NO. 19 OFFERED BY MR. TORRES

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

The Clerk read as follows:

Amendment No. 19 offered by Mr. TORRES:

H.R. 4569

At the end of the bill, insert after the last section (preceding the general short title) the following:

LIMITATION ON ASSISTANCE FOR SCHOOL OF THE AMERICAS

SEC. 701. Notwithstanding any other provision of this Act, none of the funds appropriated or otherwise made available by this Act may be used for programs at the United States Army School of the Americas located at Fort Benning, Georgia.

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

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

There was no objection.

□ 1830

POINT OF ORDER

Mr. BISHOP. Mr. Chairman, I rise to a point of order.

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

Mr. BISHOP. Mr. Chairman, I rise to a point of order against consideration of the amendment, pursuant to the rules of the House, because an amendment in the form of a limitation must await the end of the reading of the bill.

The CHAIRMAN. Does the gentleman from California (Mr. TORRES) wish to be heard on the point of order?

Mr. TORRES. Yes, Mr. Chairman.

I ask unanimous consent to revise and extend my remarks and to include extraneous material therein.

The CHAIRMAN. The Chair is advised that it is not in order to revise and extend remarks when addressing a point of order.

Mr. TORRES. Mr. Chairman, I want to begin my remarks on this amendment by thanking the gentleman from Alabama (Mr. CALLAHAN).

Mr. BISHOP. Mr. Chairman, I object to consideration of the amendment and raise a point of order for consideration of the amendment.

The CHAIRMAN. The gentleman from California (Mr. TORRES) must confine his remarks to the point of order. Does the gentleman wish to be heard on the point of order made by the gentleman from Georgia (Mr. BISHOP)?

Mr. TORRES. Mr. Chairman, I do not see how his point of order in this instance applies here. This is an amendment being raised. It is printed in the CONGRESSIONAL RECORD. It is in keeping with the decorum of debate here in the House. I do not understand how the gentleman terms to limit this amendment to be brought before us as a body of Congress. Perhaps he can explain to us?

The CHAIRMAN. Does the gentleman from Georgia (Mr. BISHOP) wish to be heard further on the point of order?

Mr. BISHOP. I will be happy if the Chair would make a ruling.

The CHAIRMAN. Does the gentleman from Massachusetts (Mr. KENNEDY) wish to be heard on the point of order?

Mr. KENNEDY of Massachusetts. Mr. Chairman, I understand this bill has been open to amendment throughout the course of the debate and the amendment was printed in the RECORD properly. We recognize that there are issues that can be brought up at the end of the bill, but this was a regularly scheduled amendment. It was accepted as a printed amendment, and the bill has been amended in regular order throughout the previous procedures.

To set a new record, a new precedent at this point saying that this should be knocked to the end of the bill would, I think, violate the rules of the House.

The CHAIRMAN. The Chair is prepared to rule. Under the rule, the last four lines of the bill have not yet been read. This amendment is in the form of a limitation, which must await the end of the reading of the bill, under clause 2 of rule XXI. Therefore, the point of order by the gentleman from Georgia (Mr. BISHOP) is sustained at this time.

AMENDMENT NO. 1 OFFERED BY MR. TIAHRT

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

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 1 printed in House Report 105–725 offered by Mr. TIAHRT:

Page 8, line 10, after ''services'' insert the following:

; and that any such voluntary family planning project shall meet the following requirements: (1) the project shall not make use of quotas, goals, or other numerical targets, on an individual, local, regional, or national basis, of total number of births, the number of family planning acceptors, acceptors of a particular method of family planning, or any other performance standard (this provision shall not be construed to include the use of quantitative estimates for budgeting and planning purposes); (2) the project shall not include payment of incentives, bribes, gratuities, or any other form of compensation or reward, monetary or nonmonetary, to (A) an individual in exchange for becoming a family planning acceptor, or (B) program personnel for achieving any numerical goal or quota; (3) the project shall not deny any right or benefit, including the right of access to participate in any program of general welfare or the right of access to health care, as a consequence of any individual's decision not to accept family planning services; (4) the project shall inform family planning acceptors, in comprehensible terms, of the nature of the family planning method chosen, its contraindications and potential health risks, and available alternatives; (5) the project shall provide a reasonable range of options of methods of family planning, including natural methods; and (6) the project shall ensure that experimental methods of family planning are administered only in a scientifically controlled study in which participants are advised of potential risks and benefits; and, not later than 30 days after the date on which the Administrator of the United States Agency for

International Development determines that there has been a violation of any provision contained in the preceding 6 paragraphs, or a violation of any other provision contained in this heading, the Administrator shall submit to the Committee on International Relations and the Committee on Appropriations of the House of Representatives and to the Committee on Foreign Relations and the Committee on Appropriations of the Senate a report containing a description of such violation.

The CHAIRMAN. Pursuant to House Resolution 542, the gentleman from Kansas (Mr. TIAHRT) and a Member opposed, each will control 5 minutes.

The Chair recognizes the gentleman from Kansas (Mr. TIAHRT).

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

This amendment is to provide a definition for the term ''voluntary'' for organizations which provide family planning assistance overseas.

Certain restrictions already exist on this financial aid, and they are that none of the funds can be used to pay for abortions, that none of the funds can go to organizations which support coercive abortions or involuntary sterilization, and the programs that are to be used are to be totally voluntary. This does not change any of those current restrictions.

It does change the definition, but, however, neither the law nor the regulations under the United States Agency for International Development or USAID, those regulations do not define the term of ''voluntary.'' As a result, there has been gross violations of human rights.

Human rights organizations have reported that nations across the globe that receive USAID funds are committing practices such as bribes to women to use experimental chemicals without warning them of any side effects. They are demanding sterilization quotas from health providers which prey on poor women and surpass their own means of doing so safely, resulting in death or permanent injury.

In Peru, as reported by the New York Times and other major papers across the Nation, as my chart indicates, women were coerced into sterilization and in some cases this resulted in death. This does not change or add any restrictions to funds that USAID distributes. However, the term ''voluntary'' is defined, and I believe we can change at least some of these abuses by setting guidelines and setting guidelines for these countries on how this money is distributed.

This amendment defines voluntary in the context of participation of population control or family planning projects so that projects shall not use quotas, shall not use payment of incentives or bribes, shall not deny any benefits like food or clothing and will provide full disclosure of the method chosen for birth control and also make available any information on family planning options.

INVOLUNTARY STERILIZATION HORROR STORIES

All of the following countries receive USAID funding and are engaging in forced sterilization tactics.

BANGLADESH

Women receiving sterilization and contraception were offered payment incentives of $3 each, plus a new saree. Population Research Institute Review, July/August 1997, pg. 6

The government also pays incentives to providers for signing up women. Earth Summit Watch web page on implementation of the Cairo Conference Programme of Action, one year after Cairo Report

Women consent to sterilization out of desperation for food. Population Research Institute Review, July/August 1997, pg. 6

Routine medical practices such as evaluating side effects of drugs and providing follow-up checks are ignored. Population Research Institute Review, May/June 1996, p. 5

USAID endorses coercive incentives. Earth Summit Watch web page on implementation of the Cairo Conference Programme of Action, one year after Cairo Report

HONDURAS

USAID funds help implement coercive program for experiments with Ovrette, an unapproved contraceptive pill. Warnings about the experimental drug's side effects on nursing mothers were hidden from the women in the program. Population Research Institute Review March/April 1998, p. 3, 7

INDIA

Family planning programs depend on quotas, targets, bribes and coercion. Population Research Institute Review September/October 1997, p. 10—based on Washington Post article ''Teeming India Engulfed by Soaring Birthrate: Sterilization Quotas Blasted as Inhumane and Coercive'' August 21, 1994

USAID funds sterilizations using Quinacrine which is illegal in India and scars/burns the fallopian tubes. Population Research Institute Review July/August, 1997 p. 14

Conditions are miserable at the USAID funded sterilization camps, there are primitive, unsanitary conditions and appalling mortality rates. Population Research Institute Review September/October 1997, p. 10—based on Washington Post article ''Teeming India Engulfed by Soaring Birthrate: Sterilization Quotas Blasted as Inhumane and Coercive'' August 21, 1994

INDONESIA

Family planning programs rely on threats and intimidation to bring women into the clinics. Population Research Institute Review, November/December 1996, p. 11

Studies have shown that IUDs are inserted at gunpoint. Population Research Institute Review, November/December 1996, p.11

The programs employ life-threatening denials of treatment and follow up care and offer no informed consent. ''From One Day to Another: Violation of Women's Reproductive and Sexual Rights in East Timor'' June 23, 1997, by Miranda Sessions, Yale University

KENYA

Dr. Stephen Karanja (Karan-ya) has seen the following in Kenya family planning clinics:

Women are coerced into Norplant implantation and sterilization. Population Research Institute Review, March/April 1997, p. 4

Sterilized women are denied health care for debilitating Complications. Population Research Institute Review, March/April 1997, p. 4

USAID is the biggest supporter of population control in Kenya. Population Research Institute Review, March/April 1997, p. 4

MEXICO

A young medical professional who goes by the name ''Maria Garcia'' has seen the following in Mexican family planning programs:

Hundreds of forced sterilizations are documented. Population Research Institute Review, March/April 1997, p. 4

Medical personnel are fired for their refusal to perform sterilizations. Population Research Institute Review, March/April 1997, p. 5

Women refusing sterilization are denied medical treatment. For example, one pregnant woman with an umbilical hernia was refused treatment for the hernia unless she agreed to have a tubal ligation. Population Research Institute Review, March/April 1997, p. 5

PERU

Many women, including Victoria Vigo Espinoza have been sterilized without consent, while others including Maura Castillo Nole and Ernestina Sandoval are sterilized in exchange for food. Still other women like Juana Guiterrez Chero and Celia Ramos Durand have died after forced sterilizations. Peru's Family Planning Under Fire: Critics Allege Poor Women are Coerced to Undergo Sterilization, by Anthony Faiola, Washington Post, February 12, 1998

Family planning programs use coercion, misinformation and quotas and sterilization-for-food efforts. Peru's Family Planning Under Fire: Critics Allege Poor Women are Coerced to Undergo Sterilization, by Anthony Faiola, Washington Post, February 12, 1998

Medical personnel must meet sterilization quotas and surgical staff are insufficiently trained and work under poor conditions. Population Research Institute Review, March/April 1997, p. 8

USAID sponsors family planning billboards signaling to Peruvian women that the family planning methods employed are U.S. sanctioned. Alianza Latinoamericana para la Familia, PRESS RELEASE—February 11, 1998

USAID targets local governments with quotas as a condition for funding and encourages pharmaceutical companies to push contraceptives on unsuspecting Filipinos. Population Research Institute Review, March/April 1997, p. 5

Women are secretly injected with abortifacient while receiving tetanus vaccines. Population Research Institute Review, November/December, 1996, p. 3

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

The CHAIRMAN. Does the gentlewoman from California (Ms. PELOSI) seek the time in opposition?

Ms. PELOSI. Mr. Chairman, I do not oppose the amendment, but I do seek to control the time.

The CHAIRMAN. Without objection, the gentlewoman from California (Ms. PELOSI) will control 5 minutes.

There was no objection.

The CHAIRMAN. The Chair recognizes the gentlewoman from California (Ms. PELOSI).

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

I can accept the amendment proposed by the gentleman. I think that the intentions behind it are good and certainly it is a restatement of what we

all support, which is voluntary family planning.

I do want to, though, bring up a couple of points about it, because paragraph 5 of the amendment requires that each family planning project provide a reasonable range of options of methods of family planning, including natural methods. I think that that is a very fine provision in his amendment.

Under current law, the DeConcini amendment, which we have discussed here before, which is not deleted by this amendment, voluntary family planning projects must offer directly, either directly, referral or information, a broad range of family planning methods and services. The amendment has the effect of requiring that each project itself provide a range of family planning methods and options. Earlier we were talking about projects overall must offer a range of family planning methods. But according to the gentleman's amendment, it is every single project must offer a range. In other words, referral information about the availability elsewhere of other family planning options.

I am reading the language of the bill. But simply put, the issue I am bringing up in support of the gentleman's amendment is that in the natural family planning, other options are not necessarily available in their projects. The gentleman's amendment does not delete the DeConcini language, which allows natural family planning projects to offer that option without offering a range of, a reasonable range of options, methods of family planning, including natural methods. So I think that we will have to address this issue in conference, but as I say, I say this rising in support of the amendment, calling attention to the gentleman to the situation that the amendment presents.

I do want to use the balance of my time to say that the gentleman's emphasis on the word ''voluntary'' is one that I think every person in this body supports. International family planning is very, very important. I believe that it does reduce the number of abortions internationally, and that is a goal that we all share.

It also is helpful for women to determine the size and timing of their families and that should not be a matter of coercion but a matter of conscience and of health and well-being of that particular family. So certainly involuntary sterilization, et cetera, has no place in any family planning projects that we would support. In fact, they would be repulsive to all of us who support international family planning.

Again, the thoughtful Tiahrt amendment gives us the opportunity to say how many families internationally have benefited from that and that in our bill, we do support projects which Georgetown University has played a role in that provide projects, that provide natural family planning as their means of just that, family planning.

The amendment also requires a report from the administrator within 30 days of finding any violation of any provisions with this amendment. This, I think, is an onerous requirement. I think the report should be made, but I am just saying that the 30 days may or may not be realistic. I hope we could revisit that in conference. Just for example, one family, one health service provider not informing one family planning acceptor of potential health risk is a violation. Even if corrected, the nongovernmental organization manager of the project, a report must still be prepared and filed with the committee.

I just think it is onerous. It is appropriate, but we should talk about what will work and stay in the spirit of the gentleman's amendment.

The CHAIRMAN. The time of the gentlewoman from California (Ms. PELOSI) has expired.

Mr. TIAHRT. Mr. Chairman, I yield 2 minutes to the gentlewoman from Missouri (Mrs. EMERSON).

Mrs. EMERSON. Mr. Chairman, I rise today in support of the Tiahrt amendment.

This important amendment is being offered today to ensure that international population control programs which currently receive U.S. funding are administered in a voluntary manner. Unfortunately, as we can all see from the newspaper headlines on this chart, this is not the case in countries now receiving USAID funding.

Mr. Chairman, every woman in this Nation has the right to choose, the right to choose whether or not to use family planning services, the right to choose which family planning method best serves their personal needs and values, the right to be fully informed of all methods available, the nature of the method chosen, including any health risks. Mr. Chairman, I believe poor women in poor countries deserve a choice, too.

Recently, the government of Peru instituted national yearly sterilization quotas. In 1998, the government set a quota of 22,000 vasectomies and 78,000 tubal ligations. As my colleagues can see, the number of women targeted is three times greater than the target set for men. This, of course, is no accident.

Everyone knows government enforced quotas for population control bureaucracies inevitably lead to women being coerced. In Peru and other poor nations involuntary sterilizations of women has been the result. And in several instances, the procedure, as the gentleman from Kansas (Mr. TIAHRT) said, has been performed by butchers in unsanitary conditions, which has led to death. Women in poor nations are vulnerable because their reproductive health needs are easily exploited by programs which move from making family planning available to making them compulsory.

□ 1845

In Mexico, hundreds of cases of forced sterilizations have been documented and women routinely are inserted with IUDs after childbirth, often without knowledge or consent. Mr. Chairman, these abuses must stop, and that is exactly what this language will help achieve.

Mr. Chairman, if this Congress is not prepared to defend the human rights of poor and helpless women in third world nations. Who will? I urge my colleagues to support the Tiahrt amendment.

Mr. TIAHRT. Mr. Chairman, I yield myself such time as I may consume before yielding my final 30 seconds to my colleague from New Jersey, to say to the gentlewoman from California (Ms. PELOSI) that I would be pleased to work with the gentlewoman to make something that would be amenable to both of us.

Mr. Chairman, I yield the balance of my time to the gentleman from New Jersey (Mr. SMITH).

Mr. SMITH of New Jersey. Mr. Chairman, I thank the gentleman for yielding me this time and for his excellent amendment.

Mr. Chairman, volunteerism is not something that is in the eye of the beholder. It needs a definition. We have heard it is voluntary, what goes on in China. It is not. In many countries, including many democracies, there is something far less than a voluntary program for family planning.

I had a hearing in my Subcommittee on International Operations and Human Rights of the Committee on International Relations last February 25th, and we heard from a doctor, a whistle-blower who actually worked in the program in Peru, and he talked about how coercion and all kinds of games and brinkmanship was used to get women to get tubal ligations against their will.

We had two women who were sterilized against their will. One, bottom line, she said, ''They tricked me.'' Now, we want no part of that. It should be voluntary. And I really think the amendment of the gentleman from Kansas (Mr. TIAHRT) sets a great and valuable service and I urge support for it.

Ms. WOOLSEY. Mr. Chairman, I rise in strong opposition to the Tiahrt amendment to the foreign operations bill.

Each year in the developing world, 600,000 women die of pregnancy-related complications. Maternal mortality is the largest single cause of death among women in their reproductive years.

That is why, Mr. Chairman, our support for reproductive health services becomes more important every day. Voluntary family planning services give mothers and families new choices and new hope—increasing child survival and promoting safe motherhood. Without our support for international family planning, women in developing nations will face more unwanted pregnancies, more poverty, and more despair.

Mr. Chairman, I find it to be extremely ironic that often the same people who would deny women in the developing world the choice of an abortion, would also seek to eliminate our support for family planning programs that reduce the need for abortion.

Without access to safe and affordable family planning services, there will be more abortions, not fewer. The abortions will be less safe and put more women's lives in danger.

Mr. Chairman, I wish that I were here today to support legislation that would allow our foreign aid dollars to pay for a full range of reproductive health services, not just the limited services that get a rightwing seal of approval every year.

But at the very least, we should keep the doors of more family planning clinics open for the women who are desperately in need of their information and services. This will help reduce the number of abortions and improve the lives of women and their children.

Mr. Chairman, I urge my colleagues to oppose this amendment to the foreign operations appropriations bill.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Kansas (Mr. TIAHRT).

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

Mr. OBEY. Mr. Chairman, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The CHAIRMAN. Pursuant to House Resolution 542, further proceedings on the amendment offered by the gentleman from Kansas (Mr. TIAHRT) will be postponed.

The point of no quorum is considered withdrawn.

AMENDMENT NO. 4 OFFERED BY MR. LIVINGSTON

Mr. LIVINGSTON. Mr. Chairman, I offer amendment No. 4.

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 4 printed in House Report 105–725 offered by Mr. LIVINGSTON:

At the end of the bill, insert after the last section (preceding the short tile) the following:

TITLE VII—ADDITIONAL GENERAL PROVISIONS

AMENDMENTS TO THE FOREIGN ASSISTANCE ACT OF 1961

SEC. 701. (a) REPEAL OF CONTINGENCIES PROVISIONS.—

(1) IN GENERAL.—Chapter 5 of part I of the Foreign Assistance Act of 1961 (22 U.S.C. 2261) is hereby repealed.

(2) CONFORMING AMENDMENTS.—(A) Section 634A(a) of such Act (22 U.S.C. 2394–1(a)) is amended in the first sentence by striking ''chapter 5 of part I.''.

(B) Section 653(a) of such Act (22 U.S.C. 2413(a)) is amended by striking ''451 or''.

(b) SPECIAL AUTHORITIES PROVISION.—Section 614(a)(4)(C) of the Foreign Assistance Act of 1961 (22 U.S.C. 2364(a)(4)(C)) is amended by striking ''$50,000,000'' and inserting ''$35,000,000''.

PARLIAMENTARY INQUIRY

Mr. DEUTSCH. Mr. Chairman, I have a parliamentary inquiry.

I was under the impression that we are going from side to side, and the last amendment was offered by the other side of the aisle.

The CHAIRMAN. Members of the committee have precedence for recognition, and the chairman of the relevant committee has additional precedence upon recognition.

Mr. DEUTSCH. And that is regardless of going back and forth, from side to side?

The CHAIRMAN. That is correct. That is under the precedents of the House.

The gentleman from Louisiana (Mr. LIVINGSTON) is recognized for 5 minutes on his amendment.

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

Mr. LIVINGSTON. I yield to the gentleman from New York.

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

Mr. GILMAN. Mr. Chairman, I rise in support of this amendment and thank the gentleman for yielding.

Mr. Chairman, we are offering an amendment in response to the apparent determination of the administration to abuse existing law in order to rush $27 million in additional U.S. foreign assistance to North Korea within the next 2 weeks.

Now, many of our colleagues might wonder why the administration would choose this moment to rush $27 million in additional foreign aid to North Korea, aid that is to be provided on top of $35 million we have already given to North Korea so far this year. After all, North Korea is a Communist country, an official state sponsor of terrorism, and a nation still technically at war with our Nation. They just fired a missile across Japan and, according to recent press reports, have been caught red-handed building an underground facility intended to conceal illegal nuclear activities.

But I am not here to question today the wisdom of the administration's policy that has turned North Korea into the largest recipient of United States foreign aid in East Asia, even before the extra $27 million the administration wants to rush their way. I am not here to question the need for the extra $27 million nor the wisdom of the administration's timing. But I am here to object to their plan to misapply the law in order to do all of this.

One of the legal authorities they plan to use to rush this extra funding to North Korea is section 451 of the Foreign Assistance Act. That provision allows the President to spend up to $25 million per year on unanticipated contingencies. The administration proposes to declare that North Korea's need for more foreign aid is an unanticipated contingency. That, of course, is observed.

KEDO, the international organization that delivers our aid to Korea is deeply in debt. But that is nothing new. This fact was brought to the attention of the Committee on Appropriations last year, and the Congress agreed to insert additional funds in the fiscal year 1998 foreign operations bill for KEDO. The administration did not think those extra funds were sufficient. But we often end up giving the administration less money than it wants. The fact is that Congress has known KEDO's debt situation for a long time and has legislated a solution to it.

The only unanticipated contingency here is that the administration does not like the Congress' considered response to the situation, which Congress passed and the President signed into law last year.

I would point out that all U.S. assistance for KEDO is, by law, subject to the so-called notification or reprogramming procedures under which the administration must notify the congressional authorization and appropriation committees before obligating those funds.

For many years, under Democratic and Republican administrations, it has been understood that when these procedures apply, objections by any of the relevant committees to the proposed obligation of funds would be honored by the administration. In this case, both Chairman HELMS and I have been informed that our objections would not be honored. This is a dramatic departure from long-established practice, a departure that, if continued, would jeopardize our ability to continue to work with the administration on many sensitive foreign policy issues.

This amendment responds to the administration's proposal to misuse section 451 by repealing that provision of law, and also amends section 614 of the Foreign Assistance Act so that the administration cannot use that provision next year to give KEDO more than $35 million that was requested by the President in the fiscal year 1999 budget submission.

In closing, let me say that I recognize the bill before us is not likely to be enacted in time to stop the administration's misusing section 451 this year. We are, in effect, closing the barn door after the horse has run away. But it would be unconscionable to do nothing in response to this proposed abuse of existing law, and, accordingly, I invite support for this amendment.

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

The CHAIRMAN. Does the gentlewoman from California (Ms. PELOSI) seek the time in opposition?

Ms. PELOSI. Yes, I do, Mr. Chairman.

The CHAIRMAN. The gentlewoman from California (Ms. PELOSI) is recognized for 5 minutes.

Ms. PELOSI. Mr. Chairman, it is with the greatest regard for the distinguished chairman of the Committee on International Relations that I reluctantly rise in opposition to his amendment. We usually are in more agreement than we are today, but I have grave concerns that this amendment can do real damage.

I understand that this amendment has come about because of Congress' understandable concerns about the administration's use of the transfer authority to provide assistance to the Korean Peninsula Energy Development Organization. However, I think that this amendment severely constrains

the use of the section 614 waiver and to end altogether the Secretary's authority under section 451.

These are two extraordinary authorities used judiciously by all administrations, including the present one, to respond to urgent and unforeseen foreign aid requirements. I am particularly concerned because it is directed at KEDO specifically, the Korean Energy Development Organization. KEDO's needs are urgent.

We are well aware of strong opposition on the other side to KEDO, and that debate had appropriately taken place in our committee. I regret enormously that the Committee on Rules did not allow my amendment in order, which would have been a very fair amendment, which would say none of the funds would go unless the U.S., we ourselves, the United States, could confirm that the North Koreans were complying, that we had access to confirm the compliance. But the Committee on Rules chose to reject that. Now the chairman is coming in with a further hit at the administration on this.

I say to the chairman, with all due respect on this, that he is playing with fire. We played with fire in the committee, and this is another step down that road. And so I urge our colleagues to oppose the Gilman amendment.

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

Ms. PELOSI. I yield to the distinguished ranking member of the committee, the gentleman from Wisconsin.

Mr. OBEY. Mr. Chairman, I think the House has an obligation here to think not about whether we like or dislike the North Korean regime, but what will most protect the interests of the United States.

There is no regime in the world that is one-tenth as crazy, as wrong, as abusive, and as dangerous as the North Korean regime. Everybody understands that. But the way to deal with an unstable regime, which at any moment could take an action which could put 50,000 American troops at risk, is not to eliminate the administration's flexibility in dealing with it.

With all due respect, if we are going to leave in the middle of October and not be back in session until late January or February, we cannot afford to have the administration without the authority to react to the world. And this amendment, in my view, simply adds to the reckless nature of the provisions already in the bill.

It is misguided because we do not like certain folks, if we take away our own tools in protecting our national interest in dealing with those folks. I do not think it is an either wise or responsible thing to do and I would urge opposition.

Ms. PELOSI. Mr. Chairman, reclaiming my time, and following on the remarks of our distinguished ranking member, I want to say that I share the concerns that our colleagues have about the irresponsibility of the North Korean regime. Members of the Permanent Select Committee on Intelligence, several of the members, I do not see any of them in the room at this time, visited North Korea last year. And by that, I do not mean Panmunjom but into North Korea, to P'yonghang the capital, and I can certainly firsthand agree with the horrible state of affairs.

As a member of the Subcommittee on Foreign Operations, Export Financing and Related Programs of the Committee on Appropriations, I have traveled with our chairman and members of the committee throughout the world and have seen poverty everyplace. But the poverty of spirit we saw in North Korea, the cruelty of the regime, that they could sit back while their people were eating bark and roots and grass, and yet spend a fortune on the war machine that is there, because they are focused and they are militant and they are irresponsible, it is for those reasons that I think we are playing with fire today when we are trying to tie the hands of the administration.

Once again, the inconsistency of our colleagues who argue on 907 that we should not tie the administration's hands, and on this very, very dangerous issue, proceed to do just exactly that.

This is a very serious vote. I urge my colleagues to vote ''no'' on the Gilman amendment.

Mr. LIVINGSTON. Mr. Chairman, I urge the support of the amendment.

If 50 years ago we had said to Adolf Hitler, ''We will build you a truck plant if you just promise us that you won't build any tank plants,'' I think people would have thrown us all out of office. That is basically what we are doing with the North Koreans. We are building them a peaceful nuclear reactor in hopes they will not build any harmful nuclear reactors or engage in dangerous missile development.

The fact is they are not even keeping their part of the bargain. They launched a missile over Japan, and this administration wants to throw money at them. The administration got permission from us to spend $15 million. They then spent $27 million and have just thrown it at North Korea in the hope that they will be less dangerous. This will not happen.

Let us not spend any more money and let us not give this waiver authority. I urge adoption of the amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Louisiana (Mr. LIVINGSTON).

The amendment was agreed to.

□ 1900

AMENDMENT NO. 17 OFFERED BY MR. TORRES

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

The Clerk read as follows:

Amendment No. 17 offered by Mr. TORRES:

In title II, in the item relating to ''OTHER BILATERAL ECONOMIC ASSISTANCE, ECONOMIC SUPPORT FUND'', after the first dollar amount, insert the following: ''(decreased by $14,000,000)''.

In title III, in the item relating to ''FUNDS APPROPRIATED TO THE PRESIDENT, INTERNATIONAL MILITARY EDUCATION AND TRAINING'', after the first dollar amount, insert the following: ''(decreased by $1,400,000)''.

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

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

There was no objection.

Mr. CALLAHAN. Mr. Chairman, I reserve a point of order.

Let me just see exactly where we are.

As I understand it, the gentleman from California (Mr. TORRES) has requested as a member of the committee that he bring up an amendment that is in order by the gentleman from Pennsylvania (Mr. GOODLING). Is that correct?

The CHAIRMAN. The Chair would inform the gentleman that any Member may call up an amendment which has been printed in the RECORD. The gentleman from California (Mr. TORRES) as a member of the committee has called up the amendment which has been read.

Mr. CALLAHAN. Out of deference to the gentleman from Pennsylvania (Mr. GOODLING), I would like to ask, is he aware that the gentleman is bringing his amendment up at this time? Could I make that inquiry?

The CHAIRMAN. The gentleman does not state a parliamentary inquiry. Does the gentleman wish to reserve a point of order?

Mr. CALLAHAN. I reserve a point of order.

The CHAIRMAN. The gentleman reserves a point of order.

The gentleman from California (Mr. TORRES) is recognized for 5 minutes on his amendment.

Mr. TORRES. Mr. Chairman, I yield to the gentleman from Massachusetts (Mr. KENNEDY).

Mr. KENNEDY of Massachusetts. Mr. Chairman, if you could explain to me the parliamentary procedure to offer a substitute amendment to the Torres amendment.

The CHAIRMAN. The gentleman from California is not able to yield to another Member for the purpose of offering an amendment, but for debate only. When the gentleman from California has completed his debate, then other Members may be recognized and at that point an amendment to the amendment may be in order.

The gentleman from California is recognized on his amendment.

Mr. TORRES. Mr. Chairman, I want to begin my remarks as I started out earlier by thanking the gentleman from Alabama (Mr. CALLAHAN) for his ongoing efforts to working with me on funding for the School of the Americas provided in the foreign operations bill.

I would point out that this year's bill contains similar language to what we adopted last year conditioning funding for the school on a certification report to be presented in January of 1999. Now, one positive outcome of last

year's requirements is the establishment of screening procedures at U.S. embassies for all candidates to U.S. military training programs, including the School of the Americas. Our embassy personnel are now required to do a double-check of the candidates once the host country has done an initial screening. The new screening process if carried out properly can certainly prove valuable to weed out those individuals with questionable backgrounds. Yet I am compelled today with my colleagues the gentleman from Massachusetts (Mr. KENNEDY) and the gentleman from Illinois (Mr. YATES) to offer this amendment to prohibit any of the funds in this bill to be used for the school.

I was disappointed in the certification report presented this past January wherein the Defense Department contended that the conditions to allow funding to the school had been met. Those conditions had resulted from a sustained public outcry from our constituents over the human rights track record of the School of the Americas' graduates and revelations that the school taught techniques that violated human rights. Unfortunately the certification report revealed a lack of understanding on the part of the military establishment on the depth of the human rights concerns surrounding the school and a lack of commitment, if you will, to improve the school's teaching.

Has the School of the Americas reformed? Well, I see there are few changes in the school's standard curriculum. Most students continue to get only a mandatory four hours of human rights training in the courses that range from eight days to 47 weeks. There are continuing problems in the oversight of the curriculum because there is still no adequate external evaluation of the current curriculum. Most of the curriculum evaluations are done by subject matter experts, which are the instructors for the course that they are responsible for reviewing. Furthermore, there is a blatant admission by the Defense Department that it has no intentions of monitoring the school. These days, most government programs are scrutinized for performance measurements and results. Unlike other universities which are private institutions, the School of the Americas, a government, tax-funded institution, must be accountable to the U.S. taxpayer and judged by measurable results. By refusing to monitor its graduates, the School of the Americas denies the taxpayers that right.

Mr. Chairman, in addition, new links between human rights violations and the School of the Americas graduates have been identified. In particular, the graduates of the school from Colombia. They are some of the principal architects of military-paramilitary collaboration that fuel the escalating violations in Colombia today. The statistics are staggering. Last year, over 3,500 people were killed for political reasons in Colombia. Paramilitary organizations operating with the complicity or even direct support of the armed forces were responsible for 60 percent of those killings. A definitive human rights report reveals that an astounding 124 out of 247 military personnel, that is 50 percent, 50 percent of Colombian officials responsible for human rights violations were graduates of the school. Mr. Chairman, that is not just a bunch of bad apples.

Mr. Chairman, I include in my remarks the list of those officers.

The document referred to is as follows:

THE SCHOOL OF THE AMERICAS AND COLOMBIA: A DISHONOR ROLL

Colombia's SOA graduates feature some of the principal architects of military-paramilitary collaboration that fuels much of the violence in the escalating human rights crisis in Colombia today. Over 3500 people were killed for political reasons in 1997; while the violence originates from all sides, paramilitaries were responsible for 69% of these killings last year, according to the State Department. Paramilitary organizations operate frequently with the complicity, and in some regions the direct support, of the armed forces. A shocking 124 out of 247 military personnel—50 percent—cited in the definitive work on Colombian officials responsible for human rights violations (El Terrorismo de Estado en Colombia), were SOA graduates. Some Colombians implicated in severe human rights violations were featured as guest speakers or instructors or included in the ''Hall of Fame'' at the SOA after their involvement in such crimes. The list below is only a small sample of Colombian SOA graduates involved in horrific human rights abuses. The abuses continue.

Pauxelino Latorre Gamboa.—Commander of the Twentieth Brigade when it was implicated in the murders of three human rights defenders in 1998. The Twentieth Brigade was just disbanded in late May by the Colombian government because of its involvement in these and other grave human rights violations. Information provided by troops under his command led to the May 1998 illegal assault on the offices of the Catholic human rights group, Justice and Peace (Justicia y Paz). In this raid, soldiers held guns to the heads of nuns and other workers, forcing them to kneel on the ground while soldiers ransacked office files. (1980, Commando Operations)

Gen. Mario Hugo Galan.—Just in the news for calling Human Rights Watch/Americas director Jose Miguel Vivanco and a Washington Post reporter ''enemies of the people'' for reporting that the Twentieth Brigade was being investigated in connection with the murders of human rights defenders. Such a label is tantamount to a death threat. (1971, course #0–26)

Gen. (Ret.) Farouk Yanine Diaz.—Former commander of the army's Second Division in Bucaramanga, Yanine ''was accused of establishing and expanding paramilitary death squads in the Middle Magdalena region, as well as ordering dozens of disappearances, multiple large-scale massacres, and the killing of judges and court personnel sent to investigate previous crimes.'' (State Dept. Human Rights Report for 1997) (1991, 1990, guest speaker at the SOA; 1969, Maintenance Orientation.) Yanine's SOA guest appearances occurred after his alleged involvement in crimes such as the 1988 Urabá massacre of 20 banana workers, the 1987 assassination of the mayor of Sabana de Torres, and the 1987 massacre of 19 businessmen.

Gen. Hernan Jose Guzmán Rodréguez.—Dismissed by President Samper in 1994 in an overhaul of military leadership to root out corruption and drug trafficking (Reuters, 11/22/94), Guzmán was alleged to protect and aid the paramilitary death squad MAS between 1987 and 1990, when it was responsible for at least 149 killings. He also commanded the soldiers who tortured, gang raped and executed Yolanda Acevedo Carvajal in 1986 (also implicated was SOA graduate 1st Lt. Samuel Lesmes Castro, 1984, Cadet Arms Orientation). (Organization Mundial contra la Tortura, et al., El Terrorismo de Estado en Colombia, 1992) In 1993, after these crimes, Guzmán was added to the SOA ''Hall of Fame.'' (1969, Maintenance Orientation)

Cpt. Gilberto Ibarra.—Used 3 peasant children in February 1992 to walk in front of his patrol to detonate mines. Two were killed; one was seriously wounded. (U.S. Committee for Refugees, Feeding the Tiger, Colombia's Internally Displaced, 1993) (1983, Cadet Arms Orientation)

Segovia Massacre.—Nine SOA graduates were implicated in the 1988 massacre at Segovia, in which 43 people died, including several children. (Capt. Gilberto Alzate Alzate, 1983, Cadet Arms Orientation; Henry Borda, who was issued an arrest warrant for his failure to prevent the massacre, 1980, Cadet Arms Orientation; Major Luis Roberto Garcia Ronderos, 1983, Patrol Operations; 1st Lt. Edgardo Hernández Navarro, 1985, Combat Arms Orientation; Gen. Raúl Rojas Cubillos, 1971, Special Maintenance Orientation; Capt. Luis Fernando Rojas Espinoza, 1984, Cadet Arms Orientation; 1st Lt. Carlos Eduardo Santacruz Estrada, 1983, Cadet Arms Orientation; Capt. Hugo Alberto Valencia Vivas, 1980, Cadet Arms Orientation.) (El Terrorismo de Estado en Colombia)

Trujillo ''Chainsaw'' Massacres.—Three SOA graduates were implicated in the gruesome Trujillo massacres, in which from 1988–91, at least 107 prisoners of the village of Trujillo were tortured and murdered—Col. Alirio Antonio Urueña Jaramillo (1976, Small Unit Infantry Tactics), Col. Roberto Hernández Hernández (1970, Automotive Maintenance Officer; 1976, Small Unit Infantry Tactics) and General Eduardo Plata Quiñones (1977, Command and General Staff College, distinguished graduate; 1969, Maintenance Orientation). One eyewitness said Urueña tortured prisoners, including elderly women, with water hoses, stuffed them into coffee sacks, and chopped them to pieces with a chainsaw. Urueña was dismissed from the army in 1995. Quiñones is believed at a minimum to have been involved in the coverup. (AP, 2/7/95; *El Terrorismo de Estado en Colombia.)*

Riofrio Massacre. Alfonso Vega Garzon (1989, Cadet Artillery Orientation) allegedly took part in the 1993 Riofrio massacre and was charged by the Attorney General's Office on 12/6/94 (*El Espectador,* 12/6/94). Jesus Maria Vergara was commander of the Third Division when troops under his command committed the Riofrio massacre. He took part in the subsequent coverup. (Special Maintenance Orientation, 1971)

Chucuri Paramilitaries. Four out of seven officers charged by human rights delegate for the armed forces in November 1992 for their role in organizing paramilitaries in the Chucuri region were trained in the SOA. (Human Rights Watch, *Colombia's Killer Networks,* 1996, p. 81.) (General Carlos Gil Colorado, Course #0–6, 1969; Capt. Gilberto Ibarra Mendoza, Cadet Arms Orientation, 1983; Capt. Orlando Pulido, Cadet Branch Orientation, 1983; Lt. Francisco Javier Corrales, Cadet Arms Orientation, 1987)

Enrique Camacho Jimenez. Attorney General's office issued a warrant for his arrest in connection with the formation of paramilitary groups that kidnapped and killed

five peasants (*El Espectador*, 12/23/94). (1985, Cadet Arms Orientation)

1st Lt. Luis Enrique Andrade Ortiz.—Alleged to be intellectual author of a 1989 paramilitary massacre of a judicial commission, in which 12 officials, including 2 judges, were killed; they were investigating military–paramilitary cooperation (also implicated was fellow SOA grad. Col. Ramón de Jesus Santander Fuentes, 1986, Command and General Staff); implicated in Ramirez family massacre, 1986, and other murders. (*El Terrorismo de Estado en Colombia*) (1983, Cadet Arms Orientation)

Victor Bernal Castaño—Colombian legislature asserts that Bernal Castaño was enrolled at the SOA to avoid having to answer to investigator about the Fusagasuga massacre of a peasant family. (Charles Call, *Miami Herald, 9/9/92). (Command and General Staff, 1992; made ''Chief of Course'')*

1st Lt. Pedro Nei Acosta Gaivis.—Ordered the massacre of 11 campesinos, 1990. (*El Terrorismo del Estado en Colombia) (Cadet Arms Orientation, 1986)*

Capt. Carlos Javier Arenas Jimenez.—Participated in the detention and torture of 19 individuals in June 1988. (*El Terrorismo de Estado en Colombia*) (1987, Cadet Arms Orientation)

Major Alejandro de Jesus Alvarez Henao.—Principal member of ''Muerte a Secuestradores'' (MAS), a paramilitary death squad responsible for numerous assassinations and disappearances (*El Terrorismo de Estado en Colombia*)(1984, Joint Operations)

Capt. Hector Alirio Forero Quintero.—Commanded a patrol that disappeared 4 people on Feb. 11, 1988. On the same day, he himself detained 2 more individuals and tortured them with the help of fellow SOA graduate Carlos Morales del Río. (*El Terrorismo de Estado en Colombia*) (1977, Small Unit Infantry Tactics)

Gen. Ramon Emilio Gil Bermudez.—Dismissed from his position as commander of Colombian Armed Forces in November 1994 in an effort by President Samper to root out corruption and drug trafficking among the armed forces (Reuters, 11/22/94), Gil is alleged to have established, protected, and participated in the activities of the MAS death squad. (In 1988, after his alleged death squad involvement, was guest speaker at SOA; 1969, Maintenance Orientation.)

Gen. Marino Gutierrez Isaza.—Implicated in the killing of Gustavo Albeiro Munoz Hurtado in May 1982. (Guest instructor, 1985–86; 1973, Military Police Intelligence)

Major Jorge Lazaro Vergel.—Aguachica military commander who, according to a 1995 police investigation, organized local paramilitaries. In June 1995, paramilitaries under his command carried out the Puerto Patiño massacre, in which 8 people in a village were executed. (Human Rights Watch, *Colombia's Killer Networks*, 1996, pp. 48–51.) (1981, Cadet Arms Orientation.)

Gen. Jaime Ruiz Barera.—Implicated in the assassination of Colombia's Attorney General Carlos Mauro Hoyos in 1988 and alleged to have ordered the assassination and torture of Claudio Medina Caycedo in 1979 (*El Terrorismo de Estado en Colombia*) (Attended SOA after assassination of attorney general, 1970, Military Intelligence)

Gen. Luis Bernardo Urbina Sanchez.—Implicated in paramilitary death squad activity, 1988–89; in the assassination of Amparo Tordecilla, 1989 and Union Patriotica member Alvaro Garces Parra; in ordering the detention, torture and assassination of Mario Alexander Grandados Plazas, 1987; in the disappearance of William Camacho Barajas and Orlando Garcia Gonzalez, 1986. (*El Terrorismo de Estado en Colombia*) (1985, Command and General Staff College)

Col. Rito Alejo Del Rio Rojas.—Recently promoted to commander of the Bogota area, Col. Rito Alejo as commander of the 17th Brigade in Urabá during the mid-1990s facilitated one of the most ruthless paramilitary campaigns in the country. Believed to be one of the Colombians recently denied a visa by the United States. (Washington Office on Latin America, ''Human Rights Advocates Under Attack in Colombia,'' 1997) (1967, Cadet Orientation Course)

Capt. Juan C. Alvarez.—As commander of the Barrancabermeja intelligence network, Alvarez is alleged to have given the orders to paramilitaries to carry out killings. Dozens of murders of local citizens were attributed to the network during 1991–2. (Human Rights Watch, Colombia's Killer Networks, 1996, pp. 30–41.) (1987, Psychological Operations)

In 1997, 99 Colombians were trained at the School of the Americas; Colombia was number 3 of countries sending the most students to the school that year.

This list, of almost 40 high-ranking Colombian military officers who attended the school have been linked to murders, assassinations, disappearances, massacres, tortures, rapes, et cetera, et cetera of Colombian civilians. One of the most notorious graduates is the commander of Colombia's infamous 20th Brigade which was implicated in February of 1998, this year, for the murders of three human rights activists.

The CHAIRMAN. Does the gentleman from Alabama insist upon his point of order?

Mr. CALLAHAN. No, Mr. Chairman, I am going to remove my reservation of a point of order.

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

The CHAIRMAN. The gentleman from Alabama is recognized for 5 minutes.

Mr. CALLAHAN. Mr. Chairman, a part of my request is to delay the process until we can give the gentleman from Pennsylvania (Mr. GOODLING), who is the principal sponsor of the original amendment, an opportunity to come to the floor and explain what his original amendment did. Based upon what I am reading here, I do not think I am really going to object to his amendment, as far as final passage is concerned. But I do think we ought to take this time, especially since the gentleman from Pennsylvania is not here to defend his original amendment, we ought to take this time to talk about the merits or demerits of the School of the Americas.

I for one agree with the Secretary of Defense who has contacted me as late as this afternoon and told me how very, very important IMET training is to our national defense. No more than I want to interfere with the Secretary of State's ability to have an effective foreign policy, do I want to do anything, and especially in a bill with my name on it, that would deny the Secretary of Defense the funds to effectively have a national defense, and that is precisely what he tells me.

He tells me that the U.S. Army School of the Americas ''continues to be a key asset for pursuing our national security strategy in Latin America,'' for example. ''We have made great progress in promoting democratic values and respect for human rights through intensive interaction at all levels with the defense establishments of the region. The Defense Ministerial of the Americas, senior bilateral meetings, joint staff talks, and service chiefs' conferences convey our concerns at the highest levels.''

So here we have the man that the President has put in charge of the national defense telling us that this is very critical. Now, he is talking about the School of the Americas. If he knew tonight that we were talking about reducing the funding for IMET training, which is the fund that trains military people all over the world so we do need to engage in any encounter that the people who are fighting alongside our soldiers and sailors will know exactly what we are doing. They will know our methodology. I think it is a very serious mistake.

I know where the gentleman is coming from and I know where the gentleman from Massachusetts (Mr. KENNEDY) is coming from. But the amendment before us tonight is simply saying we reduce the IMET training appropriation by a total of $750,000. So even with this amendment, it would not deny the Administration the ability to spend the rest of the IMET training on the School of the Americas, so you are not really accomplishing your purpose.

I just think if you looked at the School of the Americas, and I know all of the horrible history that the Jesuit priests have told me about, questionable curriculum at the School of the Americas, but I sent my staff down there, and we checked the curriculum, and I have conveyed to them that if anyone anywhere can show me one iota of a textbook that teaches soldiers to go back to their countries and violate human rights, I personally will do everything I can to shut it down. But that is not the case.

I think we should continue the School of the Americas. At this point I think we ought to have a full debate.

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

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

Mr. LIVINGSTON. I am advised that Jeffrey Dahmer, the human cannibal from the Midwest who is now long past this life, was a graduate of Ohio State. By the reasoning of the minority, we would close down Ohio State because of Jeffrey Dahmer.

Mr. CALLAHAN. I know that, if I may reclaim my time, you are not going to believe this, Mr. Chairman, but I imagine even some graduates of the University of Alabama have committed some atrocious crimes. But we ought not shut down the University of Alabama because of that. Now, when they play Auburn University, it is different. Maybe they ought to be disadvantaged, because my kids now attend Auburn University and I have sort of had a transfer of allegiances there.

But I do think, the gentleman from Pennsylvania (Mr. GOODLING) ought to

be able to defend the substitute that has been offered to his amendment and, I would encourage Members of the House to take heed to the Secretary of Defense, who has asked us today, please, do not cut these funds.

THE SECRETARY OF DEFENSE,
DEFENSE PENTAGON,
Washington, DC, September 17, 1998.

Hon. SONNY CALLAHAN,
Chairman, Subcommittee on Foreign Operations, Export Financing and Related Programs, U.S. House of Representatives, Washington, DC.

DEAR MR. CHAIRMAN: Earlier this year in fulfillment of the Foreign Operations, Export Financing and Related Programs Appropriations Act for Fiscal Year 1998. I forwarded a letter and report to Congress on the U.S. Army School of the Americas. That report explained how we are ensuring that the school is providing the kind of instruction the American people expect from its military services. As I wrote you then, the instruction and training provided by the School of the Americas is fully consistent with the training and doctrine, particularly with respect to the observance of human rights, provided by the Department of Defense to our own military students.

The U.S. Army School of the Americas continues to be a key asset for pursuing our national security strategy in Latin America. We have made great progress in promoting democratic values and respect for human rights through intensive interaction at all levels with the defense establishments of the region. The Defense Ministerial of the Americas, senior bilateral meetings, joint staff talks, and service chiefs' conferences convey our concerns at the highest levels. However, it is through our interaction with lower level officers, noncommissioned officer and soldiers that we make our biggest impact over the long run, and the School of the Americas is one of the best ways to reach them. Students of the school return to operational units and put the lessons they have learned about professionalism, subordination to civilian leadership, and respect for human rights to immediate use. These are the people that will lead the military institutions of the future.

I hope that you will support our efforts to maintain the U.S. Army School of the Americas as viable asset in meeting our national goals and objectives in Latin America. I reiterate my commitment to the Congress and to the American people that the School of the Americas is and will continue to be a professional U.S. military institution, dedicated to the goals of improving military professionalism, encouraging regional cooperation, supporting democratic ideals and principles, and promoting respect for human rights.

Sincerely,

BILL COHEN.

AMENDMENT OFFERED BY MR. KENNEDY OF MASSACHUSETTS AS A SUBSTITUTE FOR AMENDMENT NO. 17 OFFERED BY MR. TORRES

Mr. KENNEDY of Massachusetts. Mr. Chairman, I offer an amendment as a substitute for the amendment.

The Clerk read as follows:

Amendment offered by Mr. KENNEDY of Massachusetts as a substitute for amendment No. 17 offered by Mr. TORRES:

In lieu of the matter proposed add the following:

''In Title III, in the item relating to ''Funds Appropriated to the President, International Military Education and Training'' after the first dollar amount, insert the following: '' '(decreased by $756,000)',''

Mr. KENNEDY of Massachusetts (during the reading). Mr. Chairman, I ask unanimous consent that the amendment offered as a substitute for the amendment be considered as read and printed in the RECORD.

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

There was no objection.

Mr. KENNEDY of Massachusetts. Mr. Chairman, first of all I want to say a few words about the individuals who are also cosponsoring and have initiated this amendment at other times, and that is my good friend the gentleman from California (Mr. TORRES) who himself has dedicated his life to improving the lives of not only Hispanic Americans here in the United States but Hispanic Americans throughout the hemisphere. He has worked extensively throughout Latin America, he has been involved in our own military in that region, and he is a very, very strong supporter with great credentials to say that the funding for the School of the Americas should come to an end.

I am also joined by my friend and our most senior colleague the gentleman from Illinois (Mr. YATES) although you would never know that by looking at him. He, too, has had a distinguished record of standing up for the poor and for people that are voiceless in our world. I am honored to have him join with us this evening to declare that once and for all, school is out for the School of the Americas.

Defenders of the school used to claim that they did not teach human rights abuses. But then a set of torture manuals were found in the curriculum. Defenders of the school used to claim that they taught our allies to respect human rights. But then one of the instructors came forward and said that the courses were a joke. Defenders of the school used to claim that the School of the Americas should not be shut down just because a few bad apples had attended the school, like convicted drug dealer Manuel Noriega of Panama or El Salvador death squad leader Roberto D'Aubuisson. But it is not just a few bad apples. It is enough of the barrel to say the whole thing is rotten.

□ 1915

Here are the facts:

The School of the Americas' graduates include 19 of the 26 El Salvadoran officers accused of the 1989 murders of four Jesuit priests,

10 out of the 12 El Salvadoran officers cited for the El Mozote massacre of 900 civilians;

2 out of the 3 officers responsible for the assassination of Archbishop Romero;

124 out of the 247 Colombian officers cited in the definitive work on the Colombian human rights abuses;

6 Peruvian officers involved in the murders of 9 students and a professor;

3 top leaders of the fearsome Guatemalan military intelligence unit, D–2.

Defenders of the school say that the abuses have ended, but that just is not the case.

Here are the facts:

The commander of Colombia's 20th Brigade was linked to the murder of 3 human rights' workers earlier this year.

A fellow Colombian SOA graduate forced 3 peasant children to act as human minesweepers, and 2 died when they stepped on explosives.

Journalist Richard Velez testified on Capitol Hill that he was beaten by troops under the command of another SOA graduate, where he was recording footage of soldiers striking a peasant demonstrator with a rifle butt.

The Guatemalan bishop issued a report linking the School of the Americas' graduates with some of the worst abuses in that country.

In Mexico, an SOA graduate commanded the troops who committed the 1994 Chiapas massacre.

Defenders of the school have taken a page right out of the psyops manual and come forward with another rationale to keep the school open. It is called counternarcotics. But dressing up the school in a new uniform will not fool anyone. The fact is that only 75 of the 981 students, less than 10 percent, took the counternarcotics operation course.

Mexico, a major transshipment point for drugs headed to the United States, trains more military personnel than any other nation at the SOA. A full third of last year's student body came from Mexico, but only 10 percent of the Mexican officers took the counternarcotics operations course.

Defenders of the school cite the SOA's new-found commitment to human rights, but let us look at that. That commitment extends to a single 4-hour mandatory human rights course which includes a slide show, a movie and a quiz. The SOA curriculum does include a 2-week elective human rights train-the-trainer qualification course, but not a single student has ever bothered to sign up for it.

Defenders of the school say it has cleaned up its act, but how do we know? There is absolutely no tracking of graduates to measure whether or not our foreign policy goals are being met by the school or whether or not the human rights training is making any impression at all.

Mr. Chairman, I rise today not only in the name of peace and justice, but in the memory of all of those who are not present to speak out today against the school: the victims of these massacres; the disappeared; those who have been cowed into silence. We will not be silenced. Let us defeat the School of the Americas.

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

Mr. Chairman, let me say that I am totally offended that someone would come to this floor and attempt to take my amendment and totally distort it for whatever purpose they had in mind.

I have been working on this issue for probably 5 or 6 years. Last time, in fact, my amendment passed unanimously.

What I do in my amendment is tell the American people that we will not spend their hard-earned tax dollars by sending military aid to 6 countries that cannot even support us 25 percent of the time in the General Assembly in the United Nations. Cannot even support us 25 percent of the time. In other words, their idea about life and about human rights and about all those things that we hold near and dear in this country, their idea is totally opposite. Yet we ask our taxpayers to constantly send them money.

I do not touch humanitarian aid, I do not touch developmental aid, because maybe there is some hope with both of those to try to do something about their violations of human rights. But now we are trying to turn this all around and say, well, these specific countries have something to do with human rights violations. It has nothing related to my amendment, which deals with their ability to support us in the United Nations 25 percent of the time.

To me it is just a total unbelievable miscarriage of what we normally would think of camaraderie, I suppose, in the Congress of the United States.

Again, when I began this crusade, there were 30-some nations who could not vote with us 25 percent of the time because their beliefs were so opposite of what we believe in the United States, and that is fine. That is fine for them. But we do not spend U.S. dollars, we do not spend tax dollars to support those violations.

Thirty-some nations, when I first began this crusade; we are now down to 6. And again, I am totally offended that we would take my amendment, distort it, use it for some other purpose totally different than what I had intended in the first place.

I am looking at taxpayers' dollars, taxpayers' dollars that we are collecting to send to nations and send military aid to nations that cannot even support us 25 percent of the time in our deliberations in the United Nations. That is a real tragedy. Americans should be incensed, and Americans are incensed, and that is exactly why the last time the legislation passed unanimously; not a distortion of the amendment, not what someone else wanted to present, and I am not sure why they did not present it on their own, but a distortion of my amendment.

And I cannot emphasize enough, the American people watch our deliberation, American people want to give humanitarian aid, humanitarian aid and developmental aid to countries. They do not wish that we send military aid if, as a matter of fact, everything they do is totally opposite of the beliefs that we have in this country.

And so again I cannot emphasize enough: Do not somehow or other relate this amendment to a good faith effort to make sure that the 6 remaining, the 6 remaining countries that we are now down to, and take them off the hot seat and somehow or other distort that by some other effort that others want to make and could make strictly on their own and have nothing to do with my amendment.

Mr. OBEY. Mr. Chairman, I move to strike the requisite number of words. I rise in support of the substitute amendment.

Mr. Chairman, I understand the frustration of the Member who just spoke, but I will point out, those of us on this side of the aisle did not vote for the rule that required this procedure. They did. We asked them not to. They brought a rule to the floor which violated agreements which were made with the ranking Democratic member of the subcommittee on how amendments would be dealt with on family planning. They brought a rule to the floor which established a 5-hour cap on all debates, so that if one amendment took longer than it should, other people would be squeezed out and would not be able to offer theirs. And then when the gentleman from California (Mr. TORRES) did precisely what the gentleman from Pennsylvania (Mr. GOODLING) asked, said that he should have done, he tried to offer his amendment on the School for Americas, and he was precluded from doing so because of the nature of the rule.

So what happened was that the gentleman from California (Mr. TORRES) and the gentleman from Massachusetts (Mr. KENNEDY) were left with no choice but to use the rule that they imposed on us to enable us to debate this issue, and the reason we did it is because this amendment goes to the core values of what it means to be an American. What it means to be an American is not to support a school for the Americas that produces some of the biggest butchers who have reigned in Central America or Latin America.

Mr. Chairman, the gentleman has had his time, and I would be happy to yield to him after I make my point, but the gentleman said his piece and I am going to say mine.

This bill should never have come to the floor under this rule. In my view, it is absurd to allow any Member of the House to offer an amendment put into the RECORD by someone else. But they passed that rule, we did not. We are simply operating under the rule, the only rule that they gave us, and we found a way, using their rules, to get the amendment onto the floor which goes to America's core values.

And so the question is: Do my colleagues want to continue to provide financial support for a school which has a track record which would embarrass any decent American who is concerned about human rights? When this school produces people like D'Aubuisson, who goes on national television in El Salvador and publicly threatens the life of the American Ambassador there, it is time to question whether that school has a curriculum worth teaching.

We have heard for years they are cleaning up their operation. We have seen the results, we have seen the blood, we have seen the torture, we have seen the human pain, for far too long to tolerate it.

So it seems to me that these gentlemen should not be condemned, they should be congratulated for enabling the House to reach a vote on this issue, even though the rules were contrived to prevent it in the first place.

Mr. Chairman, I yield to the gentleman from Illinois (Mr. YATES).

Mr. YATES. Mr. Chairman, I join in the amendment to close the school. Closing the school would go a long way to dispel the perception that the United States only supports military juntas in Latin America.

By a strange trick of fate, Mr. Chairman, this bill contains funds for two kinds of messengers that are sent by the United States to Latin America. We are sending the graduates of this school who go down there to act as dictators and violate the human rights of the people of the countries to which they are sent. We are also sending the Peace Corps to build up the countries, to educate the people, to foster the best interests of the people of the country. In which group do we believe? And which is better for the country?

I think the school should be closed. The $15 million that this bill would have included ought to be made available for the Peace Corps, and it would be better for the countries they serve.

So I say, Mr. Chairman, let us close the school because of the history of what has happened and is still happening down there.

Mr. OBEY. Mr. Chairman, I yield to the gentlewoman from New York (Mrs. LOWEY).

Mrs. LOWEY. Mr. Chairman, I rise in strong support of the Torres-Kennedy amendment which would help us close the U.S. Army School of the Americas once and for all.

The School of the Americas has taught some of the most ruthless dictators in Latin America to torture their opponents, censor their press, intimidate their citizens. It must be shut down.

The CHAIRMAN. The time of the gentleman from Wisconsin (Mr. OBEY) has expired.

Mr. OBEY. Mr. Chairman, I ask unanimous consent to proceed for an additional 2 minutes.

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

Objection is heard.

□ 1930

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

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

Mrs. LOWEY. Mr. Chairman, as I said, the school, in my judgment, must be shut down, but the issue of what to do with the School of the Americas goes well beyond the deplorable actions of the school and right to the heart of the United States foreign policy.

The question before us today is whether the United States has a moral responsibility to encourage other governments to respect human rights and democracy. Are human rights and democracy just catch phrases we use, or are they basic principles that we demand of every Nation?

We must in my judgment demand human rights and democracy, in name and in practice, from our own military and all of our neighbors. That is why the School of the Americas is an affront to everything that the United States foreign policy should be about. That is why we must close the school.

Fifty years ago, the School of the Americas was opened with the goal of improving United States ties to Latin American militaries. The idea was to educate our neighbors to the south about Democratic civilian control of the military. But over the last few decades, we started to hear reports of what was actually being taught there. Words like torture, beating, and execution were increasingly being associated with the school's courses.

Then, some of the school's most distinguished graduates started to turn up in high positions in Latin American governments. People like Panama's drug-dealing dictator Manuel Noriega, now serving time in a United States prison on a drug conviction; and Roberto D'Aubuisson, who organized many of El Salvador's notorious death squads.

In response, many of us have been calling for the school to shut down.

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

Mrs. LOWEY. I yield to the gentleman from Massachusetts.

Mr. MOAKLEY. Mr. Chairman, I rise to support my colleagues' efforts to cut funding for the Army's School of the Americas. It is time to close that institution that has long been responsible for teaching the world's great killers, human rights abusers, and brutal dictators.

Mr. Chairman, I have a little bit of experience in this area. As some of my colleagues know, I led the investigation of the murders of the priests in El Salvador back in 1989. The 6 Jesuit priests were killed in cold blood, and I remain committed to the promotion of peace in this beautiful country and throughout Central America.

During that investigation, Mr. Chairman, I was horrified to learn that 19 out of the 26 killers we implicated in the murders were graduates of the School of the Americas.

As I dug deeper into the problems of El Salvador, I learned more and more what these graduates' exploits used in tearing the country apart. Massacre after massacre of innocent people were led by proud graduates of the School of the Americas.

When I traveled to El Salvador last November to participate in ceremonies commemorating the deaths of the Jesuit priests, crowds of people came to me at the mass and pleaded with me to close that school. They could not understand how we, the world's greatest defender of human rights, could support such an institution of terror. They could not understand how the United States could run such a school that was responsible for the deaths of so many of their brothers and so many of their sisters. Unfortunately, Mr. Chairman, I did not have an answer for these good people, but I did pledge to them that I would work to speak the truth about the School of the Americas.

Mr. Chairman, since that time, every time I hear of another brutal massacre or egregious abuse of human rights in Latin America, the School of the Americas graduates are involved. It is almost uncanny how often we discover these graduates planned the killings, covered up the truth, and pulled the triggers.

Mr. Chairman, do not just take my word for it. Open up any newspaper and read about what is going on in Mexico's Chiapas region; read about what is going on in Colombia; read about what is going on in Guatemala. Time and time again, School of the Americas' graduates are killing their own people, and we are responsible for their training.

Mr. Chairman, I could go on and on, but all I ask is please, it is time to close the school.

Mrs. LOWEY. Mr. Chairman, reclaiming my time, I yield to the gentleman from Massachusetts (Mr. MCGOVERN).

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

Mr. MCGOVERN. Mr. Chairman, I thank the gentlewoman for yielding to me.

I just want to associate myself with the remarks of my colleague, the gentleman from Massachusetts (Mr. Moakley) who did a tremendous job in leading the investigation of the murders of the Jesuit priests in El Salvador in 1989. I was with him when he was down there last November at the mass, and I too was approached by so many people who had come to urge us to shut down the School of the Americas.

Mr. Chairman, I support the Kennedy-Torres amendment.

Mr. Chairman, it is time for us to stop funding for the School of the Americas.

Every year, the Pentagon and other U.S. agencies spend billions of dollars in a broad array of training programs with Latin American militaries.

Just yesterday, this House approved over $2 billion for counter-narcotics activities in the Western Hemisphere, including a substantial increase in training, operations and equipment for Latin America.

Under the Department of Defense, U.S. Special Forces teams carry out dozens of joint training activities each year with Latin American militaries.

Latin American military officers receive education and training at 150 places other than the School of the Americas through our IMET and INL programs.

The operation of U.S. bases, joint military exercises, and other joint trainings throughout the region would not be affected by this amendment.

These programs are by far the central part of the U.S. relationship with Latin American militaries.

The Pentagon's National Defense University recently opened a Center for Hemispheric Studies right here in Washington, DC, to train Latin American officers in civil-military relationships.

In brief, our relationships with Latin American militaries will not falter by prohibiting any funds in this bill from going to the School of the Americas.

Our relationship with the people of Latin America, however, who have been so gravely harmed by so many students and graduates of the School of the Americas, will be greatly enhanced.

I know many of my colleagues have been told that the abuses of the School are in the past. That simply is not true. Just this year, in 1998, three human rights advocates were murdered in Colombia. The Twentieth Brigade, commanded by a graduate of the School of the Americas, is deeply implicated in these murders.

And so our history of being partners in the murder of the very best, the most democratic, the most humanitarian Latin American citizens goes on. Thanks to the School of the Americas.

The School refuses to review and evaluate the conduct of its graduates. My esteemed colleague, the gentleman from California, Mr. TORRES, has requested such information and has been told the Pentagon will not undertake such a survey. The School does not want to know what its students and graduates are up to.

But let me be clear, the School cannot escape its past, and it cannot escape its present.

The past is very much alive in the people of Latin America. The past is very much alive in the hearts and minds and souls of the families and friends and colleagues of those who have been murdered, disappeared, tortured and abused by students trained by the School of the Americas.

For the people of Latin America, when they wish to recall someone's memory, they say, ''PRESENTE.'' For them, the past is always present.

Last year, I rose in support of this amendment and spoke from my heart about dear friends—six Jesuit priests and two laywomen—who were murdered by Salvadoran military units filled with students of the School.

Last November, I traveled to El Salvador with Mr. MOAKLEY to participate in events commemorating the lives of these martyrs. We spoke at the University where these priests worked, taught, and carried out human rights programs.

We participated in an outdoor Mass celebrating their lives and their living memory. I cannot adequately describe the scene to you of this Mass. Thousands of people came to participate, covering the hillsides. Humble people. Students. Many who had walked for days to get to San Salvador in time for the Mass. Diplomats from many nations, including for the first time, the U.S. Ambassador. And as I prepared to take communion, I made a promise that I would return to Congress and work with my colleagues to stop funding for this School.

For the people of this hemisphere, I urge my colleagues to support this amendment.

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

The CHAIRMAN. The gentleman from New York (Mr. GILMAN) is recognized for 2 minutes, which is the amount of time remaining under the rule for amendments.

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

Mr. GILMAN. Mr. Chairman, after careful consideration, I rise in opposition to the amendment and the substitute offered by the gentleman from Massachusetts (Mr. KENNEDY) and the underlying amendment by the gentleman from California (Mr. TORRES) which would prohibit funding the School of the Americas. While I respect the proponents of the amendment and share their alarm at some of the anecdotes, I cannot agree with their conclusions that the School of the Americas has no constructive role to play.

It is in our interest to see that the militaries of Central and South American countries play a positive role in the region's fragile Democratic societies. While proponents of this amendment have spotlighted abuses of authority in human rights, there are hundreds and hundreds of soldiers and police officers who graduated from the School of the Americas and have gone on to conduct themselves honorably. That is not mentioned.

Moreover, I believe that the cutoff of U.S. military assistance and links to the Guatemalan Army in the late 1970s provides an instructive example that we should heed. In the ensuing absence of American influence, the Guatemalan Army escalated its brutal counter-insurgency war that led to the slaughter of untold numbers of innocents. Despite the good intentions of the proponents of this amendment, I do not believe that the case has been made that ending the military-to-military contact that takes place at the School of the Americas will actually make things better.

General Serrano, the respected director general of the Colombian National Police who has an outstanding record of protecting human rights, even in the midst of a raging narcotics-fueled war, recently told our committee, and I quote, ''The School of the Americas trains our reaction forces for use in fighting narcotics trafficking with excellent results, and I am a witness to the fact that it is a very valuable instrument for training our men to carry out the antinarcotics fund.''

I will, of course, continue to support prudent restrictions to ensure that students in the school are screened for human rights and receive adequate human rights training, as well as reports on the School's training and assessments of its recent graduates.

Mr. MORAN of Virginia. Mr. Chairman, I urge my colleagues to support the amendment to cut funding to the Army School of the Americas. This school has an infamous history, one that still haunts us today. In the past, the school literally taught military personnel how to oppress their people. We have all heard the shameful statistics on how many of the worst human rights abusers in Latin America were trained at the Army School of the Americas. For example, nineteen of the officers cited by the U.N. Truth Commission for the murder of Jesuit priests in 1989 were graduates of the School of the Americas.

People in Latin America still suffer from School of the Americas graduates today, particularly in Colombia. Just this year, three human rights activists were murdered in Colombia by a member of a brigade commanded by a graduate. A human rights report implicated 40 high-ranking Colombian military officers who attended the school in mass murder and disappearances.

Bishop Juan Gerardi was brutally murdered after releasing a report on human rights abuses in Guatemala that linked School of the America graduates to those abuses.

Supporters say that the curriculum of the school has changed. But the world has changed as well. Now that many Latin American countries have turned away from military dictatorship to become democracies, we do not need to have military relations as the cornerstone of bilateral contacts. Military relations should no longer be the focus of the new, constructive U.S. relationship with fragile Latin American democracies. We can still pursue the same kind of military-to-military contacts we have with many countries around the globe, without having this school.

Cutting the funding for the Army School of the Americas sends an important signal that the United States is repudiating the policies of the past.

Mr. BISHOP. Mr. Chairman, I rise today in strong opposition to efforts to limit or reduce funding for the Unites States Army School of the Americas. For those colleagues of mine who may still have concerns about the School, I draw your attention to the language in the FY 1998 Appropriations bill. I believe it adequately and responsibly deals with any remaining questions or concerns about the school. Specifically, it prohibits the use of international military education training funds for the school until: (1) the Secretary of Defense certifies that training provided by the School of Americas is fully consistent with U.S. training and doctrine, (2) the Secretary of State has issued specific guidelines governing selection and screening of candidates for the school, and (3) the Secretary of Defense has submitted a report on the training activities of the school.

For the past five and a half years, I have had the honor of representing the area of southwest Georgia where Fort Benning and the School are located. I am proud of the school as I am proud of all other institutions that make up our military. I believe it is the best armed forces in the world and the most well run. The United States Army School of the Americas is but one small institution in our entire military system. It is an institution that has provided professional training to over 58,000 military and civilian police personnel form throughout Latin America—training that includes classes covering the principles of human rights and representative democracy.

The school's contribution to the transformation of Latin America from totalitarianism to democracy has been tremendous. Today, only Cuba remains a totalitarian stronghold. Representative government has begun to take root in every other country in the region. As the record shows, many of the school's graduates have played leading roles in this transformation.

If you have an opportunity to talk to these graduates, many will tell you that the values they studied and discussed during their stay at the school influenced their political thinking and motivated them in their countries' fight for democracy.

In spite of this record, the school is once again under attack.

Without one shred of real evidence, the people who are involved in these misguided attacks falsely accuse the school of promoting totalitarianism and torture. If you get beyond the rhetoric, which can be as deceptive as it is emotional, you will find their case is factually based on just two things: one, the few graduates who have been involved in human rights abuses—and two, certain military intelligence training manuals which were once used at the school in classes attended by some of the students, although not all—which the school got rid of six years ago.

It's true some of the school's trainees have been linked to human rights abuses. Some, in fact, have been linked to sickening atrocities. But this, alone, is not evidence of wrongdoing at the school. As a matter of fact, most of the graduates have been among the good guys in the region's shift to democracy. Graduates have instituted human rights reforms in their militaries, prevented military coups against freely-elected civilian governments, and have made their soldiers more professional servants of democratic governments. We need this to continue. The Latin American democracies are very fragile, this is not the time to stop the work we have started with our neighbors.

This whole argument gets a little ridiculous. We know of other Latin American human rights abusers who attended colleges and universities in the United States. One is the notorious Hector Gramajo of Guatemala, who did not attend the School of the Americas but did graduate from Harvard. Personally, I think it would be absurd to brand Harvard as a school of assassins or call for its closure.

In his own report on the school, Representative KENNEDY says: ''We do not question the good values and the commitment of the U.S. personnel at the school today.'' According to his report, the reason for attacking the existing school is to make a fresh start. But that start has already been made. The school and its curriculum have undergone intense scrutiny over the past few years, and instruction on human rights and democratic principles has been exhaustively reviewed, sharpened and expanded. This institution is one of the most transparent in the U.S. military.

The United States Army School of the Americas has been investigated and studied by the DOD Inspector General's Office, by the General Accounting Office, and by an outside private consulting firm. Every course except for the computer course has mandatory human rights instruction. Every instructor is certified to teach human rights. The school has a permanent human rights council and a Board of Visitors on which strong human rights' advocates serve. All say the school is effectively promoting U.S. policy on human rights and democracy, and in no way is violating it.

This is certainly a cost-effective program.

For less than $4 million a year, the school is promoting democracy, building stronger relationships with our neighbors, and combating narcotics trafficking. The school's critics never consider the cost of the crimes and human rights violations that were not committed because of the school's influence. The critics never count the benefits of the drug labs taken down, the terrorism prevented, the mines removed by trained professionals, and the peacekeeping operations. The school teaches all of these things, and its graduates carry out these missions day-in and day-out.

Just listen to what the officials and agencies responsible for developing and implementing our foreign policy have to say about the school.

Our drug czar, who served as a former Commander-in-Chief of the U.S. Southern Command, has said:

As Commander in Chief, my responsibilities included furthering the development of professional Latin American armed forces that promoted and protected human rights and that were supportive of democratic governance. The School of Americas was, and continues to be, the Department of Defense's pre-eminent educational institution for accomplishing these goals.

The State Department has stated:

The School of Americas today is an important instrument for advancing our goals for the hemisphere. The school's curriculum has changed to reflect the end of the Cold War and our commitment to democracy, human rights, and development in Latin America.

And Chairman of the Joint Chiefs of Staff, Henry H. Shelton, has commented:

I firmly believe that the US effort to promote democracy, encourage regional cooperation, foster respect for human rights, and reduce the flow of illegal drugs in this hemisphere would be seriously affected if the School were closed.

This is an issue that touches me personally. I regularly visit the school. I know the men and women who serve there. These are highly-trained, dedicated professionals who believe deeply in their country and in the country's mission to promote human rights and democratic principles everywhere. It is wrong to accuse them of violating their trust and working against the interests of democracy when all of the evidence reaffirms that this is not true.

I strongly urge all of my colleagues to visit the school, learn more about the job it is doing, and not to rush to judgment on the basis of false and unfounded accusations made by people who may have good intentions, but who have little regard for the facts.

Mr. Speaker, I urge our colleagues to support the truth.

Support the United States Army School of the Americas.

Mr. OBEY. Mr. Chairman, in the interest of saving the time of the House, I ask unanimous consent to withdraw my request for a roll call vote on the Tiahrt amendment.

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

There was no objection.

The CHAIRMAN. Without objection, the voice vote stands, and the amendment offered by the gentleman from Kansas (Mr. TIAHRT) is agreed to.

There was no objection.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Massachusetts (Mr. KENNEDY) as a substitute for the amendment offered by the gentleman from California (Mr. TORRES).

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

RECORDED VOTE

Mr. KENNEDY of Massachusetts. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The CHAIRMAN. Pursuant to clause 2 of rule XXIII, any vote on the underlying Torres amendment will be conducted as a 5-minute vote.

The vote was taken by electronic device, and there were—ayes 201, noes 212, not voting 21, as follows:

[Roll No. 448]

AYES—201

Abercrombie
Ackerman
Allen
Andrews
Baesler
Baldacci
Barcia
Barrett (WI)
Becerra
Bentsen
Berman
Blagojevich
Blumenauer
Boehlert
Bonior
Borski
Boucher
Brown (CA)
Brown (FL)
Brown (OH)
Camp
Capps
Cardin
Carson
Clayton
Clement
Coble
Conyers
Costello
Coyne
Cummings
Danner
DeFazio
DeGette
Delahunt
DeLauro
Dicks
Dixon
Doggett
Dooley
Doyle
Duncan
Ehlers
Engel
English
Eshoo
Etheridge
Evans
Farr
Fattah
Fazio
Filner
Foley
Forbes
Ford
Fox
Frank (MA)
Franks (NJ)
Furse
Gejdenson
Gilchrest
Goode
Gordon
Graham
Green
Greenwood
Gutierrez
Gutknecht
Hall (OH)
Harman
Hefner
Hilliard
Hinchey
Hinojosa
Hooley
Hulshof
Jackson (IL)
Jackson-Lee (TX)
Jefferson
Johnson (CT)
Johnson (WI)
Johnson, E. B.
Kelly
Kennedy (MA)
Kennedy (RI)
Kildee
Kilpatrick
Kind (WI)
Kleczka
Klug
Kucinich
LaHood
Lampson
Lantos
Largent
LaTourette
Lazio
Leach
Lee
Levin
Lewis (GA)
Lipinski
LoBiondo
Lofgren
Lowey
Luther
Maloney (CT)
Maloney (NY)
Markey
Matsui
McCarthy (MO)
McCarthy (NY)
McDermott
McGovern
McHale
McKinney
McNulty
Meehan
Meeks (NY)
Menendez
Metcalf
Millender-McDonald
Miller (CA)
Miller (FL)
Minge
Mink
Moakley
Moran (KS)
Moran (VA)
Morella
Nadler
Neal
Neumann
Nussle
Oberstar
Obey
Olver
Owens
Pallone
Pascrell
Pastor
Paul
Payne
Pelosi
Peterson (MN)
Petri
Pomeroy
Porter
Price (NC)
Quinn
Rahall
Ramstad
Rangel
Regula
Rivers
Rodriguez
Roemer
Rothman
Roukema
Roybal-Allard
Sabo
Salmon
Sanders
Sanford
Sawyer
Scarborough
Schaffer, Bob
Scott
Sensenbrenner
Serrano
Shays
Sherman
Skaggs
Slaughter
Smith (NJ)
Smith, Adam
Stabenow
Stark
Stokes
Strickland
Stupak
Talent
Thompson
Thurman
Tierney
Torres
Towns
Upton
Velazquez
Vento
Walsh
Wamp
Waters
Watt (NC)
Waxman
Weller
Wexler
Weygand
Woolsey
Wynn
Yates

NOES—212

Aderholt
Archer
Armey
Bachus
Baker
Ballenger
Barr
Barrett (NE)
Bartlett
Barton
Bass
Bateman
Bereuter
Berry
Bilbray
Bilirakis
Bishop
Bliley
Blunt
Boehner
Bonilla
Bono
Boswell
Boyd
Brady (PA)
Brady (TX)
Bryant
Bunning
Burr
Burton
Buyer
Callahan
Calvert
Campbell
Canady
Cannon
Castle
Chabot
Chambliss
Chenoweth
Christensen
Clyburn
Coburn
Collins
Combest
Condit
Cook
Cooksey
Cox
Crane
Crapo
Cubin
Cunningham
Davis (FL)
Davis (VA)
Deal
DeLay
Deutsch
Diaz-Balart
Dickey
Doolittle
Dreier
Dunn
Edwards
Ehrlich
Emerson
Ensign
Everett
Ewing
Fossella
Fowler
Frelinghuysen
Frost
Gallegly
Ganske
Gekas
Gibbons
Gillmor
Gilman
Goodlatte
Goodling
Granger
Hall (TX)
Hamilton
Hansen
Hastert
Hastings (FL)
Hastings (WA)
Hayworth
Hefley
Herger
Hill
Hilleary
Hobson
Hoekstra
Holden
Horn
Hostettler
Houghton
Hoyer
Hunter
Hutchinson
Hyde
Inglis
Istook
Jenkins
John
Johnson, Sam
Jones
Kanjorski
Kaptur
Kasich
Kim
Kingston
Klink
Knollenberg
Kolbe
LaFalce
Latham
Lewis (CA)
Lewis (KY)
Linder
Livingston
Lucas
Manzullo
Martinez
Mascara
McCollum
McCrery
McDade
McHugh
McInnis
McIntyre
McKeon
Mica
Mollohan
Murtha
Nethercutt
Ney
Northup
Norwood
Ortiz
Oxley
Packard
Pappas
Parker
Paxon
Pease
Peterson (PA)
Pickering
Pickett
Pitts
Pombo
Portman
Radanovich
Redmond
Reyes
Riley
Rogan
Rogers
Rohrabacher
Ros-Lehtinen
Royce
Ryun
Sandlin
Saxton
Schaefer, Dan
Sessions
Shadegg
Shaw
Shimkus
Shuster
Sisisky
Skeen
Skelton
Smith (MI)
Smith (OR)
Smith (TX)
Smith, Linda
Snowbarger
Snyder
Solomon
Souder
Spence
Spratt
Stearns
Stenholm
Stump
Sununu
Tanner
Tauzin
Taylor (MS)
Taylor (NC)
Thomas
Thornberry
Thune
Tiahrt
Traficant
Turner
Visclosky
Watkins
Watts (OK)
Weldon (FL)
Weldon (PA)
White
Whitfield
Wicker
Wilson
Wise
Wolf
Young (AK)
Young (FL)

NOT VOTING—21

Clay
Cramer
Davis (IL)
Dingell
Fawell
Gephardt
Gonzalez
Goss
Kennelly
King (NY)
Manton
McIntosh
Meek (FL)
Myrick
Poshard
Pryce (OH)
Riggs
Rush
Sanchez
Schumer
Tauscher

□ 1958

Mr. TIAHRT and Mr. NORWOOD changed their vote from ''aye'' to ''no.''

Mr. LARGENT, Mrs. ROUKEMA and Ms. EDDIE BERNICE JOHNSON of Texas changed their vote from ''no'' to ''aye.''

So the amendment offered as a substitute for the amendment was rejected.

The result of the vote was announced as above recorded.

□ 2000

The CHAIRMAN. The question is on the amendment offered by the gentleman from California (Mr. TORRES).

Mr. TORRES. Mr. Chairman, I ask unanimous consent to withdraw my amendment.

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

Mr. GOODLING. Mr. Chairman, I object.

The CHAIRMAN. Objection is heard.

The question is on the amendment offered by the gentleman from California (Mr. TORRES).

The amendment was rejected.

The CHAIRMAN. The Clerk will read the last four lines of the bill.

The Clerk read as follows:

Titles I through V, the appropriations paragraphs of title VI, and sections 601 through 604, of this Act may be cited as the ''Foreign Operations, Export Financing, and Related Programs Appropriations Act, 1999''.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly, the Committee rose; and the Speaker pro tempore (Mr. SNOWBARGER) having assumed the chair, Mr. THORNBERRY, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 4569) making appropriations for foreign operations, export financing, and related programs for the fiscal year ending September 30, 1999, and for other purposes, pursuant to House Resolution 542, he reported the bill back to the House with sundry amendments adopted by the Committee of the Whole.

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

Is a separate vote demanded on any amendment? If not, the Chair will put them en gros.

The amendments were agreed to.

The SPEAKER pro tempore. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER pro tempore. The question is on the passage of the bill.

Pursuant to clause 7 of rule XV, the yeas and nays are ordered.

The vote was taken by electronic device, and there were—yeas 255, nays 161, not voting 18, as follows:

[Roll No. 449]

YEAS—255

Abercrombie
Aderholt
Allen
Andrews
Archer
Armey
Bachus
Baesler
Baker
Ballenger
Barcia
Barrett (NE)
Bartlett
Barton
Bass
Bateman
Bentsen
Bereuter
Berman
Bilbray
Bilirakis
Bishop
Bliley
Blumenauer
Blunt
Boehlert
Boehner
Bonilla
Bono
Boswell
Boyd
Brady (TX)
Brown (CA)
Bryant
Bunning
Burr
Burton
Buyer
Callahan
Calvert
Camp
Canady
Cannon
Cardin
Chabot
Chambliss
Christensen
Coble
Collins
Cook
Cooksey
Costello
Cox
Crapo
Cubin
Davis (VA)
Deal
DeLay
Deutsch
Diaz-Balart
Dickey
Dicks
Dixon
Dooley
Doyle
Dreier
Dunn
Ehlers
Ehrlich
Emerson
Engel
English
Ensign
Everett
Ewing
Foley
Forbes
Fossella
Fowler
Fox
Franks (NJ)
Frelinghuysen
Frost
Gallegly
Ganske
Gekas
Gibbons
Gilchrest
Gillmor
Gilman
Goodlatte
Goodling
Graham
Granger
Green
Gutierrez
Gutknecht
Harman
Hastert
Hastings (FL)
Hastings (WA)
Hayworth
Hill
Hinchey
Hobson
Holden
Hooley
Horn
Houghton
Hulshof
Hunter
Hutchinson
Hyde
Inglis
Istook
Jackson-Lee (TX)
Jenkins
John
Johnson (CT)
Johnson, Sam
Kaptur
Kasich
Kelly
Kennedy (RI)
Kildee
Kim
Kingston
Klug
Knollenberg
Kolbe
Kucinich
LaHood
Lampson
Lantos
Largent
Latham
LaTourette
Lazio
Leach
Levin
Lewis (CA)
Lewis (GA)
Lewis (KY)
Linder
Lipinski
Livingston
LoBiondo
Lowey
Maloney (NY)
Manzullo
McCarthy (NY)
McCollum
McCrery
McDade
McGovern
McHugh
McInnis
McIntosh
McIntyre
McKeon
McKinney
Menendez
Metcalf
Mica
Miller (FL)
Morella
Nadler
Nethercutt
Neumann
Ney
Northup
Norwood
Nussle
Ortiz
Owens
Oxley
Packard
Pallone
Pappas
Parker
Pascrell
Paxon
Pease
Peterson (MN)
Pickering
Pickett
Pitts
Porter
Portman
Quinn
Radanovich
Ramstad
Redmond
Regula
Riley
Rivers
Rodriguez
Rogan
Ros-Lehtinen
Rothman
Roukema
Ryun
Salmon
Saxton
Schaefer, Dan
Schaffer, Bob
Serrano
Sessions
Shadegg
Shaw
Shays
Sherman
Shimkus
Shuster
Sisisky
Skeen
Skelton
Slaughter
Smith (MI)
Smith (NJ)
Smith (OR)
Smith (TX)
Smith, Linda
Snowbarger
Solomon
Souder
Spence
Stabenow
Strickland
Talent
Tauzin
Taylor (NC)
Thomas
Thornberry
Thune
Thurman
Tiahrt
Tierney
Turner
Upton
Visclosky
Walsh
Wamp
Watts (OK)
Waxman
Weldon (FL)
Weldon (PA)
Weller
Weygand
White
Whitfield
Wicker
Wilson
Wolf
Young (AK)

NAYS—161

Ackerman
Baldacci
Barr
Barrett (WI)
Becerra
Berry
Blagojevich
Bonior
Borski
Boucher
Brady (PA)
Brown (FL)
Brown (OH)
Campbell
Capps
Carson
Castle
Chenoweth
Clayton
Clement
Clyburn
Coburn
Combest
Condit
Conyers
Coyne
Cramer
Crane
Cummings
Cunningham
Danner
Davis (IL)
DeFazio
DeGette
Delahunt
DeLauro
Dingell
Doggett
Doolittle
Duncan
Edwards
Eshoo
Etheridge
Evans
Farr
Fattah
Fazio
Filner
Ford
Frank (MA)
Furse
Gejdenson
Goode
Gordon
Greenwood
Hall (OH)
Hall (TX)
Hamilton
Hansen
Hefley
Hefner
Herger
Hilleary
Hilliard
Hinojosa
Hoekstra
Hostettler
Hoyer
Jackson (IL)
Jefferson
Johnson (WI)
Johnson, E. B.
Jones
Kanjorski
Kennedy (MA)
Kilpatrick
Kind (WI)
Kleczka
Klink
LaFalce
Lee
Lofgren
Lucas
Luther
Maloney (CT)
Markey
Martinez
Mascara
Matsui
McCarthy (MO)
McDermott
McHale
McNulty
Meehan
Meeks (NY)
Millender-McDonald
Miller (CA)
Minge
Mink
Moakley
Mollohan
Moran (KS)
Moran (VA)
Murtha
Neal
Oberstar
Obey
Olver
Pastor
Paul
Payne
Pelosi
Peterson (PA)
Petri
Pombo
Pomeroy
Price (NC)
Rahall
Rangel
Reyes
Roemer
Rogers
Rohrabacher
Roybal-Allard
Royce
Sabo
Sanders
Sandlin
Sanford
Sawyer
Scott
Sensenbrenner
Skaggs
Smith, Adam
Snyder
Spratt
Stark
Stearns
Stenholm
Stokes
Stump
Stupak
Sununu
Tanner
Tauscher
Taylor (MS)
Thompson
Torres
Towns
Traficant
Velazquez
Vento
Waters
Watkins
Watt (NC)
Wexler
Wise
Woolsey
Wynn
Yates
Young (FL)

NOT VOTING—18

Clay
Davis (FL)
Fawell
Gephardt
Gonzalez
Goss
Kennelly
King (NY)
Manton
Meek (FL)
Myrick
Poshard
Pryce (OH)
Riggs
Rush
Sanchez
Scarborough
Schumer

□ 2019

Messrs. HINCHEY, STRICKLAND, KENNEDY of Rhode Island, and LEWIS of Georgia changed their vote from ''nay'' to ''yea.''

So the bill was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

PRIVILEGED REPORT ON REFUSAL OF ATTORNEY GENERAL TO PRODUCE DOCUMENTS SUBPOENAED BY COMMITTEE ON GOVERNMENT REFORM AND OVERSIGHT

Mr. BURTON of Indiana, from the Committee on Government Reform and Oversight, submitted a privileged report (Rept. No. 105–728), together with additional, minority and additional minority views, on the refusal of Attorney General Janet Reno to produce documents subpoenaed by the Government Reform and Oversight Committee, which was referred to the House Calendar and ordered to be printed.

REPORT ON RESOLUTION PROVIDING FOR CONSIDERATION OF MOTIONS TO SUSPEND THE RULES

Mr. DIAZ-BALART, from the Committee on Rules, submitted a privileged report (Rept. No. 105–729) on the resolution (H. Res. 544) providing for consideration of motions to suspend the rules, which was referred to the House Calendar and ordered to be printed.

PROVIDING FOR CONSIDERATION OF H.R. 3248, DOLLARS TO THE CLASSROOM ACT

Mr. DIAZ-BALART. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 543 and ask for its immediate consideration.

The Clerk read the resolution, as follows: