

and successfully implementing an extensive privatization program. Nonetheless, its large fiscal deficit left it vulnerable during the recent period of global financial turbulence. Fiscal adjustment to address that deficit therefore formed the core of the stand-by arrangement that Brazil reached with the IMF last December.

Despite Brazil's initial success in implementing the fiscal reforms required by this stand-by arrangement, there were some setbacks in passing key legislation, and doubts emerged about the willingness of some key Brazilian states to adjust their finances. Ultimately, the government secured passage of virtually all the fiscal measures, or else took offsetting actions. However, the initial setbacks and delays eroded market confidence in December 1998 and January 1999, and pressure on Brazil's foreign exchange reserves intensified. Rather than further deplete its reserves, Brazil in mid-January first devalued and then floated its currency, the real, causing a steep decline of the real's value against the dollar. As a consequence, Brazil needed to prevent a spiral of depreciation and inflation that could have led to deep financial instability.

After the decision to float the real, and in close consultation with the IMF, Brazil developed a revised economic program for 1999-2001, which included deeper fiscal adjustments and transparent and prudent monetary policy designed to contain inflationary pressures. These adjustments will take some time to restore confidence fully. In the meantime, the strong support of the international community has been and will continue to be helpful in reassuring the markets that Brazil can restore sustainable financial stability.

Brazil's experience to date under its revised program with the IMF has been very encouraging. The exchange rate has strengthened from its lows of early March and has been relatively stable in recent weeks; inflation is significantly lower than expected and declining; inflows of private capital are resuming; and most analysts now believe that the economic downturn will be less severe than initially feared.

Brazil's success to date will make it possible for it to repay a 30 percent portion of its first (December) drawing from the BIS credit facility and the Bank of Japan swap facility. With continued economic improvement, Brazil is likely to be in a position to repay the remainder of its BIS and Bank of Japan obligations relatively soon. However, Brazil has indicated that it would be inadvisable to repay 100 percent of the first BIS and Bank of Japan disbursements at this point, given the persistence of risks and uncertainties in the global economy. The timing of this repayment must take into account the risk that using Brazilian reserves to repay both first drawings in their entirety could harm market confidence in Brazil's financial condition. This could undermine the purpose of our

support: protecting financial stability in Brazil and in other emerging markets, which ultimately benefits U.S. exports and jobs. Given that the BIS and Bank of Japan facilities charge a substantial premium over the 6-month Eurodollar interest rate, the Banco Central has an incentive to repay them as soon as is prudent.

The IMF stand-by arrangement and the BIS and Bank of Japan facilities constitute a vital international response to Brazil's financial crisis, which threatens the economic welfare of Brazil's 160 million people and of other countries in the region and elsewhere in the world. Brazil's size and importance as the largest economy in Latin America mean that its financial and economic stability are matters of national interest to the United States. Brazil's industrial output is the largest in Latin America; it accounts for 45 percent of the region's gross domestic product, and its work force numbers approximately 85 million people. A failure to help Brazil deal with its financial crisis would increase the risk of financial instability in other Latin American countries and other emerging market economies. Such instability could damage U.S. exports, with serious repercussions for our workforce and our economy as a whole.

Therefore, the BIS credit facility is providing a crucial supplement to Brazil's IMF-supported program of economic and financial reform. I believe that strong and continued support from the United States, other governments, and multilateral institutions are crucial to enable Brazil to carry out its economic reform program. In these unique and emergency circumstances, it is both appropriate and necessary to continue to make ESF financing available as needed for more than 6 months to guarantee this BIS credit facility, including any other rollover or drawing that might be necessary in the future.

WILLIAM J. CLINTON.
THE WHITE HOUSE, June 15, 1999.

MESSAGES FROM THE HOUSE RECEIVED DURING RECESS

Under the authority of the order of the Senate of January, 1997, the Secretary of the Senate, on June 15, 1999, during the recess of the Senate, received a message from the House of Representatives announcing that the House has passed the following bill, in which it requests the concurrence of the Senate:

H.R. 1400. An act to amend the Securities Exchange Act of 1934 to improve collection and dissemination of information concerning bond prices and to improve price competition in bond markets, and for other purposes.

The message also announced that the House agreed to the following concurrent resolutions, in which it requests the concurrence of the Senate:

H. Con. Res. 91. Concurrent resolution authorizing the use of the Capitol Grounds for a clinic to be conducted by the United States Luge Association.

H. Con. Res. 105. Concurrent resolution authorizing the Law Enforcement Torch Run for the 1999 Special Olympics World Games to be run through the Capitol Grounds.

MEASURES REFERRED

The following bill was read the first and second times by unanimous consent and referred as indicated:

H.R. 1400. An act to amend the Securities Exchange Act of 1934 to improve collection and dissemination of information concerning bond prices and to improve price competition in bond markets, and for other purposes; to the Committee on Banking, Housing, and Urban Affairs.

The following concurrent resolution was read and referred as indicated:

H. Con. Res. 91. Concurrent resolution authorizing the use of the Capitol Grounds for a clinic to be conducted by the United States Luge Association; to the Committee on Rules and Administration.

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. THOMAS (for himself and Mr. ENZI):

S. 1221. A bill for the relief of Ashley Ross Fuller; to the Committee on the Judiciary.

By Mr. CONRAD (for himself, Mr. GRASSLEY, Mr. DASCHLE, and Mr. BAUCUS):

S. 1222. A bill to amend the Trade Act of 1974 to provide trade adjustment assistance to farmers; to the Committee on Finance.

By Mr. SCHUMER:

S. 1223. A bill to provide for public library construction and technology enhancement; to the Committee on Health, Education, Labor, and Pensions.

SUBMISSION OF CONCURRENT AND SENATE RESOLUTIONS

The following concurrent resolutions and Senate resolutions were read, and referred (or acted upon), as indicated:

By Mr. DASCHLE:

S. Res. 123. A resolution to authorize representation of Members of the Senate in the case of Candis Ray v. John Edwards, et al; considered and agreed to.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. CONRAD (for himself, Mr. GRASSLEY, Mr. DASCHLE, and Mr. BAUCUS):

S. 1222. A bill to amend the Trade Act of 1974 to provide trade adjustment assistance to farmers; to the Committee on Finance.

THE TRADE ADJUSTMENT ASSISTANCE FOR FARMERS ACT

● Mr. CONRAD. Mr. President, I rise today to introduce a bill that would amend the Trade Act of 1974 to make farmers eligible for Trade Adjustment Assistance (TAA) similar to that provided to workers in other industries who suffer when there is an increase in imported products. This bill would provide equitable treatment for farmers