the subcommittee chairman, the gentleman from California [Mr. DOOLITTLE], for their help on this measure.

As many of my colleagues know, we have had some severe drought conditions in the State of Texas and this bill helps to provide some relief to two areas that are particularly affected.

I also want to express my appreciation to the work of my colleague, the gentleman from Texas [Mr. ORTIZ]. He has been working on these issues for some time and I am certainly grateful for his willingness to work together to solve some very real problems that both of us have in our regions.

Mr. Speaker, H.R. 3910 is a bill that addresses some serious water problems in Texas. I will leave it to my colleague from Texas to discuss the portion of the bill that particularly affects the Corpus Christi area, but I know that that part of the State still suffers from the effects of drought and has a critical need to develop another water supply.

This bill will help them do that. The bill also allows the Canadian River Municipal Water Authority to develop alternative water supplies. This bill does not reduce the amount of money that the Canadian water authority owes to the Federal Government in the way of repaying the debt for construction of the dam for Lake Meredith, but it does postpone for 3 years our requirement to make payments and that deferment for the 3-year period allows the water authority to develop a field of water wells and construct an aqueduct that will get new well water to a location where it can be mixed with the water from Lake Meredith. That lake is the primary source of drinking water for more than 500,000 people in my area. It has not produced the amount of water expected and the severe drought earlier this year certainly caused additional problems. But the quality of the drinking water is also a problem.

The water from Lake Meredith does not meet the drinking water standards recommended by either the EPA or the Texas Department of Health. Only by mixing the lake water with well water is it really fit to drink.

This bill will allow that mixing which is required to be made by freeing up some funds to be used for the other project. The bill also reimburses the water authority for land which was transferred to the National Park Service several years ago. Every one, including the Bureau of Reclamation agrees that compensation is due for the loss of control of that land by the water authority. This was approximately 6 years ago when 43,000 acres was transferred from the water authority to create a national recreation area. This bill reimburses the acquisition costs which were way back in the early 1960's and relocations costs without any adjustment for inflation so that it is a truly minimal level of $4 million.

Mr. Speaker, of course, this bill does not offset all the problems that have been experienced because of the drought and other things; but it helps, and it does so in a fiscally responsible way. I urge my colleagues to approve it.

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

☐ 1645

Mr. ORTIZ. Mr. Speaker, I yield myself such time as I may consume.

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

Mr. ORTIZ. Mr. Speaker, I rise in strong support of H.R. 3910, which provides emergency drought relief for the city of Corpus Christi and 24 other cities in the surrounding area and the Nueces River Authority for the Canadian River Municipal Water Authority.

As many people know, Texas is suffering the effects of a very severe drought, and these two areas have been particularly affected.

Cities in my district have been restricting water use for months, and my constituents have lost many cattle and crops in these areas.

In fact it has been estimated that the drought has cost farmers and ranchers $2.4 billion in direct losses.

Without relief, we will soon be losing jobs and industries.

In my district, the city of Corpus Christi and the surrounding water service area are in an emergency situation.

Our available water supply is down over 70 percent in the last 36 months and is projected to be completely depleted within 24 months as the current drought continues.

Our water supply comes from the Nueces River project, a Bureau of Reclamation project which has cost considerably more than originally contracted and has produced much less water than local leaders were led to believe.

Because of this combination, the city is having trouble finding the resources needed to obtain more water reserves.

H.R. 3910 allows the city of Corpus Christi and the Canadian River Authority to defer their principal and interest payments, without penalty, on their Bureau of Reclamation water projects.

This bill will allow them to develop the funding necessary to build facilities for the necessary, additional water reserves.

The bill expedites the permitting process for facilities on Bureau of Reclamation property without bypassing the NEPA process.

It also requires the Bureau to recalculate the repayment schedule of the Canadian River Municipal Water Authority to allow for property and facilities transferred to the National Park Service.

I want to thank the chairman of the Subcommittee on Water and Power Resources, the gentleman from California [Mr. DOOLITTLE] and of course the ranking member, the gentleman from Oregon [Mr. DEFAZIO] and my good friend, the gentleman from Texas [Mr. THORNBERRY] and members of the staff for their work and help with this bill. I also want to thank the gentleman from Alaska [Mr. YOUNG] and the ranking member, the gentleman from California [Mr. MILLER] for their help in bringing this bill to the House in a bipartisan effort. I introduced this bill because of the importance of the situation in Texas, and I ask for the strong support of my colleagues.

Mr. ORTIZ. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

Mr. THORNBERRY. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

The SPEAKER pro tempore (Mr. MILLER of Florida). The question is on the motion offered by the gentleman from Texas [Mr. THORNBERRY] that the House suspend the rules and pass the bill, H.R. 3910, as amended.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill, as amended, was passed.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. THORNBERRY. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days to revise and extend their remarks and include extraneous material on H.R. 3910, the bill just passed.

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

There was no objection.

EXPORTS, JOBS, AND GROWTH ACT OF 1996

Mr. ROTH. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 3759) to extend the authority of the Overseas Private Investment Corporation, and for other purposes, as amended.

The Clerk read as follows:

H.R. 3759

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

SECTION 1. SHORT TITLE.

This Act may be cited as the ''Exports, Jobs, and Growth Act of 1996''.

TITLE I—OVERSEAS PRIVATE INVESTMENT CORPORATION

SEC. 101. INCOME LEVELS.

Section 231 of the Foreign Assistance Act of 1961 (22 U.S.C. 2191) is amended in paragraph (2) of the second undesignated paragraph—

(1) by striking ''$984 or less in 1986 United States dollars'' and inserting ''$1,280 or less in 1994 United States dollars''; and

(2) by striking ''$4,269 or more in 1986 United States dollars'' and inserting ''$5,556 or more in 1994 United States dollars''.

SEC. 102. CEILING ON INVESTMENT INSURANCE.

Section 235(a)(1) of the Foreign Assistance Act of 1961 (22 U.S.C. 2195(a)(1)) is amended by striking ''$13,500,000,000'' and inserting ''$25,000,000,000''.

SEC. 103. CEILING ON FINANCING.

Section 235(a)(2)(A) of the Foreign Assistance Act of 1961 (22 U.S.C. 2195(a)(2)(A)) is amended by striking ''$9,500,000,000'' and inserting ''$20,000,000,000''.

SEC. 104. ISSUING AUTHORITY.

Section 235(a)(3) of the Foreign Assistance Act of 1961 (22 U.S.C. 2195(a)(3)) is amended by striking ''1966'' and inserting ''2001''.

SEC. 105. POLICY GUIDANCE.

Section 231 of the Foreign Assistance Act of 1961 (22 U.S.C. 2191) is amended in the first paragraph—

(1) by striking ''To mobilize'' and inserting ''To increase United States exports to, and to mobilize'';

(2) by striking ''of less developed'' and inserting ''of, less developed''; and

(3) by inserting ''trade policy and'' after ''complementing the''.

SEC. 106. BOARD OF DIRECTORS.

Section 233(b) of the Foreign Assistance Act of 1961 (22 U.S.C. 2193(b)) is amended—

(1) by striking the second and third sentences;

(2) in the fourth sentence by striking ''(other than the President of the Corporation, appointed pursuant to subsection (c) who shall serve as a Director, ex-officio)'';

(3) in the second undesignated paragraph—

(A) by inserting ''the President of the Corporation, the Administrator of the Agency for International Development, the United States Trade Representative, and'' after ''including''; and

(B) by adding at the end the following: ''The United States Trade Representative may designate a Deputy United States Trade Representative to serve on the Board in place of the United States Trade Representative.''; and

(4) by inserting after the second undesignated paragraph the following:

''There shall be Chairman and a Vice Chairman of the Board, both of whom shall be designated by the President of the United States from among the Directors of the Board other than those appointed under the second sentence of the first paragraph of this subsection.''.

TITLE II—TRADE AND DEVELOPMENT AGENCY

SEC. 201. TRADE AND DEVELOPMENT AGENCY AUTHORIZATION.

Section 661(f)(1)(A) of the Foreign Assistance Act of 1961 (22 U.S.C. 2191(f)(1)(A)) is amended to read as follows:

''(1) AUTHORIZATION.—(A) There are authorized to be appropriated for purposes of this section, in addition to funds otherwise available for such purposes, $40,000,000 for fiscal 1997, and such sums as are necessary for fiscal year 1998.''.

TITLE III—EXPORT PROMOTION PROGRAMS WITHIN THE INTERNATIONAL TRADE ADMINISTRATION

SEC. 301. EXPORT PROMOTION AUTHORIZATION.

Section 202 of the Export Administration Amendments Act of 1985 (15 U.S.C. 4052) is amended to read as follows:

''SEC. 202. AUTHORIZATION OF APPROPRIATIONS.

''There are authorized to be appropriated to the Department of Commerce to carry out export promotion programs $240,000,000 for fiscal year 1997 and such sums as are necessary for fiscal year 1998.''.

TITLE IV—TRADE PROMOTION COORDINATION COMMITTEE

SEC. 401. STRATEGIC EXPORT PLAN.

Section 2312(c) of the Export Enhancement Act of 1988 (15 U.S.C. 4727) is amended—

(1) by striking ''and'' at the end of paragraph (4);

(2) by striking the period at the end of paragraph (5) and inserting a semicolon; and

(3) by adding at the end the following:

''(6) identify means for providing more coordinated and comprehensive export promotion services to, and in behalf of, small- and medium-sized businesses; and

''(7) establish a set of priorities to promote United States exports to, and free market reforms in, the Middle East that are designed to stimulate job growth both in the United States and the region.''.

SEC. 402. IMPLEMENTATION OF PRIMARY OBJECTIVES.

The Trade Promotion Coordinating Committee shall—

(1) identify the areas of overlap and duplication among Federal export promotion activities and report on the actions taken or efforts currently underway to eliminate such overlap and duplication;

(2) report on actions taken or efforts currently underway to promote better coordination between State, Federal, and private sector export promotion activities, including co-location, cost-sharing between Federal, State, and private sector export promotion programs, and sharing of market research data; and

(3) by not later than September 30, 1997, include the matters addressed in paragraphs (1) and (2) in the annual report required to be submitted under section 2312(f) of the Export Enhancement Act of 1988 (15 U.S.C. 4727(f)).

SEC. 403. PRIVATE SECTOR DEVELOPMENT IN THE UKRAINE.

The Trade Promotion Coordinating Committee shall include in the annual report submitted in 1997 under section 2312(f) of the Export Enhancement Act of 1988 (15 U.S.C. 4727(f)) a description of the activities of the departments and agencies of the Trade Promotion Coordinating Committee to foster United States trade and investment which facilitates private sector development in the Ukraine.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Wisconsin [Mr. ROTH] and the gentleman from Minnesota [Mr. PETERSON] each will control 20 minutes.

The Chair recognizes the gentleman from Wisconsin [Mr. ROTH].

Mr. ROTH. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, the title of this bill really says it all: exports, jobs, and growth. This is legislation that every Member can and should support. This is essential legislation.

Our bill reauthorizes three export agencies. They are the Overseas Private Investment Corporation, the Trade and Development Agency, and the U.S. Foreign Commercial Service. Each of these agencies is vital to U.S. exporters.

That is why our bill is supported by a broad national coalition of business leaders, exporters, and labor groups. We have some 15 different labor groups also backing this legislation. We have everyone from the Chamber of Commerce and NAM to the AFL–CIO.

Why have American businesses and American labor joined together in support of this bill? The real reason is that it creates jobs, good-paying jobs for our American workers.

Let me review the facts. OPIC provides the insurance and financing necessary for American companies to expand into the newly emerging markets in Eastern Europe, Asia, and Latin America. OPIC has generated $43 billion in exports. That translates into 200,000 jobs for American workers, 200,000 because of this one piece of legislation.

Our bill provides a 5-year plan to allow OPIC to grow, to serve more American exporters, and to add even more jobs for American workers.

OPIC does all of this without tossing one red cent to the American taxpayer. Let me repeat that again because there is a lot of misinformation and disinformation about this legislation by people who want to demagogue the legislation.

This legislation has not cost the American taxpayer one red cent. In fact, it has put into the American Treasury $2½ billion, and if this bill passes, if my colleagues join me in passing this legislation, we are going to add, as our placard says, $189 million every year to the U.S. Treasury for the next 5 years.

That is a replica of the check that was given to the U.S. Treasury by OPIC. OPIC is going to have some $5 billion in the U.S. Treasury in 5 years, and it is not going to cost the American taxpayer one single cent.

As we can see, on our chart the total exports that are going to be increased by this legislation are over $38 billion. The amount of jobs that are created, additional jobs in the next 5 years, are over 123,000 jobs.

This is a good piece of legislation, and I am asking my colleagues, I am appealing to their reason, not to their emotion, I am appealing to their reason to pass this legislation, yes, for our workers and for our companies, but also for the people in Latin America, some of the people in Africa, and in the Third World and also in Eastern European countries that we are trying to help. This legislation is going to put $2½ billion additional into the U.S. Treasury in the next 5 years, it is going to create over $38 billion in exports, and it is going to create over 123,000 jobs. Again I am appealing to my colleagues' reason to pass this legislation.

Mr. PETERSON of Minnesota. Mr. Speaker, we have a very diverse group that is opposing this bill. I would like to start off today by yielding such time as he may consume to the gentleman from Ohio [Mr. KASICH], the distinguished chairman of the House Committee on the Budget.

Mr. KASICH. Mr. Speaker, I think one of the best days that we had on this House floor during my 14 years in Congress was the day in which we reformed the welfare system in this country. We said that there should not be giveaway programs, that people in fact ought to go to work. Well, it was with great effort and with great inspiration that we moved forward to pass a bill to reform the welfare system in America as it relates to the poor, but now this is welfare Step Two.

This is now an effort to reform a welfare system that exists in America that does not benefit people who are poor. This is a welfare system that we have created in America that provides welfare to the rich and welfare to the well off.

Now let me just talk a little bit about the Overseas Private Investment Corporation and tell my colleagues that the people who are lined up against this bill come all the way from the left to the right. It is one of the most diverse coalitions I have ever seen in the House of Representatives, and I would like to talk about a few of the people who do know a little bit about economics and what they have to say about this program.

Milton Friedman, one of the foremost leading experts in economics in the world, had a comment that he wanted to make on OPIC. He said: I cannot see any redeeming aspect in the existence of OPIC. It is special interest legislation of the worst kind.

That is Milton Friedman from the Chicago School of Economics.

The National Taxpayers Union says that few other Federal programs can combine such undesirable elements as corporate welfare, wasteful spending, unneeded foreign aid, mismanagement and risk to taxpayers into one package, in referring to the Overseas Private Investment Corporation.

Now, when we take the National Taxpayers Union and Milton Friedman all saying that this program is a boondoggle, what are we attempting to do here today? Well, what we are attempting to do here today is not just to keep the Overseas Private Investment Corporation, which makes loans and loan guarantees and provides insurance out of the taxpayers' pocket to the largest corporations in America overwhelmingly, but now they want to come back and double, and double the amount of lending authority and risk-taking that they have as proposed in this legislation.

□ 1700

This is not just a continuation of a dubious program like OPIC, but frankly, it is a doubling of the amount of risk the taxpayers are being asked to burden.

Let me just tell the Members a little bit about OPIC. We hear about it and we hear about all the jobs that are created. The gentleman from New Jersey [Mr. ANDREWS] did an analysis, loan by loan and jobs by jobs. The Overseas Private Investment Corporation could never connect the loans that are being made to these giant corporations to the creation of American jobs in this country.

The gentleman from New Jersey [Mr. ANDREWS] wrote into the law a provision that said that the Overseas Private Investment Corporation ought to trace the loans directly to the creation of jobs, and that organization has failed to do so. They have failed to do so because, frankly, the numbers that get thrown around on the creation of jobs are dubious at best. Let me tell the Members about some of the projects that the Overseas Private Investment Corporation invests in, using taxpayer money and taxpayer-funded risk insurance.

We developed a soft drink bottling company in Poland and in Ghana, a travel agency in Armenia. We have magazine publishing in Russia, a lumber mill in Lithuania, a shrimp farm in Ecuador, probably a jumbo shrimp farm, but a shrimp farm in Ecuador, pension management in Colombia, a hotel in the Ukraine, and restaurants in Argentina, 16 restaurants in Argentina.

Here we have a host of investments that are going on overseas, not inside the United States, but overseas, financed by taxpayers and insured by taxpayers. Let us talk about the portfolio. We asked the Congressional Budget Office to give us a list of the quality of the portfolio; in other words, what kind of risk-taking is the OPIC investing in?

As Members can see when we look at the rating in fiscal 1995, the OPIC is consistently using the taxpayers' money to give large corporations the ability to take risks in operations that are defined with a D minus credit rating, an F double negative credit rating.

If you went into a bank, if you were a taxpayer in America and walked into a bank to get a loan to buy a house and you said to a banker that ''I have an F double negative rating,'' they would throw you out of the bank. But the Overseas Private Investment Corporation can march into these countries and they can get loans from the taxpayers, hardworking taxpayers, and then they can have those loans insured by hardworking taxpayers, the same taxpayers who do not have a prayer of securing a loan in regard to these kinds of credit ratings.

If we want to continue to debate this whole Overseas Private Investment Corporation, which, frankly, is welfare for the largest and most profitable corporations in this country, that is fine, we can debate it. But to come to this floor and argue that we ought to double the amount of loans and double the amount of risk-taking on the backs of the American taxpayers is wrong.

I would urge my colleagues to not permit, to not approve of a tremendous expansion in this program, when this Congress is engaged in trying to slow the growth of government. How much sense does it make to allow the largest corporations to use our money to invest in these kinds of investment opportunities that, in a normal American bank, you would not have a prayer of getting a loan. Let us defeat this Overseas Private Investment Corporation, take it back to the shop, try to fix the thing, and frankly, Mr. Speaker, try to phase it out. Less government is the motto of Congress.

Mr. ROTH. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, we just heard the gentleman from Ohio speak for 6 minutes and he did not say anything.

The truth of the matter is this program has not cost the American taxpayer one cent. In fact, there is $2.5 billion in the U.S. Treasury because of this program, and it will increase to $5 billion in 5 years. Those are the facts. That is not a bunch of demagoguery.

Mr. Speaker, I yield 5 minutes to my friend, the gentleman from Indiana [Mr. HAMILTON].

Mr. HAMILTON. Mr. Speaker, I thank the gentleman for yielding time to me.

Mr. Speaker, I certainly rise in support of H.R. 3759. I want to speak a word of appreciation to the gentleman from Wisconsin, Mr. ROTH, and the gentleman from Connecticut, Mr. GEJDENSON, Mr. ROTH, the chairman of the Subcommittee on International Economic Policy and Trade, and Mr. GEJDENSON, the ranking minority member, for their very excellent work in producing this legislation.

All of these agencies that are involved here, the Overseas Private Investment Corporation and the Trade and Development Agency and the Internationational Trade Administration, are very cost-effective and very excellent organizations. They receive uniformly high marks from the people who know them best, their clients, the thousands of firms and workers whose exports they promote. The demand for the services of these groups keeps rising.

Let me just take a moment to respond to some of the charges that are made against OPIC. The usual charge is that this is corporate welfare. The fact of the matter is, however, that the programs here are fully paid for by the fees and the premiums it charges customers and by the interest that it has earned on the reserves. There is no welfare here. There is no drain on the taxpayers' dollars here.

The charge of corporate welfare is simply wrong. It is misguided. Corporate welfare would be an appropriate label if OPIC gave away something for free, but it does not. The programs are fully paid for by the corporations which participate through fees and through premiums. OPIC, as the gentleman from Wisconsin has pointed out, is of enormous benefit to the U.S. economy. Since 1971, it has generated $40 billion in exports. That means profits for companies, and it means jobs for American workers. The estimate is that it has supported about 200,000 jobs in this country. That explains why OPIC has the support not just of corporate America, but also for the union movement.

If there were in fact corporate welfare, does anybody in this Chamber believe that the American union movement would support it? Of course, they understand that they get jobs from it. So some critics say the foreign investment by OPIC costs American jobs, but OPIC is forbidden by law to back any foreign projects that are likely to adversely affect U.S. jobs and exports.

In addition, OPIC supports U.S. foreign policy interests. That is an important point to make her. Not only does it produce more jobs in this country, not only does it produce more profits, not only is it not corporate welfare or any drain on the taxpayers' money, but OPIC supports American foreign policy interests. It uses the genius of the American private sector to promote the development of market economies in former Communist and other countries. It generates jobs and exports and growth in countries whose economic success is in our national interest. And, as has been pointed out, it helps reduce the Federal budget deficit.

The user fee, the premium, the interest earnings have enabled OPIC to turn over a profit to the United States Treasury every year of its existence. OPIC expects to contribute another $900 million to deficit reduction in the next 5 years. And OPIC has proven to be a safe investment for U.S. tax dollars. It has over a $2.5 billion reserve to cover loan defaults and insurance payouts. Yet, OPIC has historically paid claims for only 1 percent of the insurance it is provided, and fewer than 5 percent of the loans have defaulted.

OPIC does things for American exports and foreign policy that no private sector entity can do. It supports projects in places that are important to the United States, but where private firms are not ready to go. OPIC's unbroken record of profitability shows it can provide that support and still remain financially sound. This is a very small but very valuable agency. It has earned our support for more than two decades. It does not approach any definition of corporate welfare, and it deserves our continued support toady.

Mr. PETERSON of Minnesota. Mr. Speaker, I am pleased to yield 4 minutes to the gentleman from Illinois [Mr. JACKSON], one of our newer Members.

Mr. JACKSON of Illinois. Mr. Speaker, I thank the gentleman from Minnesota for yielding time to me. Mr. Speaker, I rise today in strong opposition to H.R. 3759, a contentious bill which in my opinion is incorrectly being considered by the House today under suspension of the rules, a procedure normally reserved for non-controversial measures. Just before we broke the August work period, a majority in this body voted to end Aid to Families with Dependent Children. This bill today will, in effect double one means of providing Aid to Dependent Corporations—the Overseas Private Investment Corporation—an agency of the Federal Government which provides welfare to America's largest corporations.

OPIC bestows corporate welfare upon multinational corporations through direct loans, subsidized loan guarantees, and political risk insurance. Secured by U.S. taxpayer dollars, OPIC provides American Fortune 500 companies with the incentive to enter into risky transactions from which conventional lenders have shied away. With the full faith and credit of the U.S. Government backing up their business ventures, OPIC's corporate clients have eliminated thousands of American jobs. With the destabilizing effects of corporate downsizing on American workers and their families, we should not be providing incentives for America's corporate giants to invest abroad, taking advantage of low-wage labor costs, lower standards, and often exploitive working conditions of Third World countries, rather than reinvesting and creating good jobs at home. We need to raise their standards toward ours, not lower ours to meet theirs in this increasingly global economy.

Mr. Speaker, at a time when our Government is calling upon the poor, children, and legal immigrants to make sacrifices in the name of balancing the Federal budget, I cannot imagine a more inappropriate climate in which to reauthorize—and, in fact, double—OPIC's financing authority from $9 to $20 billion and insurance ceilings from $13 to $25 billion. Under good circumstances, OPIC's corporate borrowers yield a private profit, boosting their bottomline and the dividends for their shareholders. Under bad circumstances, in the event that OPIC's multinational corporate borrowers default on their private obligation the burden becomes a public one. A private profit and a public loss—that's socialism for the rich. It is the U.S. taxpayer who will bear the burden of the risky or unstable conditions surrounding these investments.

It is true that OPIC has provided a vehicle for promoting investment in developing nations and regions previously ignored from projects in Sub-Saharan Africa, in Poland and to the now exploding investment opportunities in Russia and countries of the former Soviet Union. I support foreign aid and direct investment, both private and public, in developing nations. But OPIC is a bad vehicle because it privatizes the corporate benefits but potentially leaves American taxpayers vulnerable to corporate losses.

Have we not learned anything from the savings and loan debacle of the 1980's—just because there have not yet been huge losses associated with OPIC's investments, as its proponents claim, this does not guarantee future good fortune. The same claims of solvency were made by FSLIC, the Federal Savings & Loan Insurance Corporation until its crisis years. Hindsight is 20/20 one decade and $180 billion in taxpayer bailout dollars later.

OPIC has already placed $8.7 billion of the U.S. taxpayer dollars at risk. In 1995, OPIC made loan guarantees to DuPont for $200 million, and $165 million for CocaCola; and provided $842 million in investment insurance for Citicorp, a company with a net income of $3.5 billion in that same year. We cannot continue to underwrite the foreign investments of America's largest corporations. In doubling OPIC's corporate welfare, we are, in effect, aiding and abetting the downsizing of the American work force and the downsizing of the American dream.

Let me be clear * * * We just ended welfare—Government assistance to millions of poor people in our own communities, yet we are providing Government assistance to companies to invest in foreign countries. Before we take care of people in other countries we must take care of our people here at home.

Imagine what we could do if we invested the $120 million we're talking about today to leverage investments in our cities, our neighborhoods, and communities. It should not be used to make it easier for American companies to invest in Warsaw businesses when Polish-Americans on the southside of Chicago can't receive the same type of assistance.

Mr. Speaker, from the Congressional Progressive Caucus to the centrist Progressive Policy Institute to the conservative Progress and Freedom Foundation, opposition to this egregious form of corporate welfare spans the political and ideological spectrum. I urge my colleagues to end corporate welfare as we know it and vote ''no'' on H.R. 3759.

□ 1715

Mr. ROTH. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, let me just say to my good friend from Illinois who spoke that if we want to have jobs for those people we are taking off welfare, we have got to have good-paying jobs, and this bill provides that.

Incidentally, the Machinists Union sent me a letter and it says, ''Contrary to assertions of critics of OPIC, American workers also have a stake in OPIC's reauthorization. OPIC should be permitted to continue its work in creating jobs for American workers.''

Not only 1 union but 15 unions, I say to my friend from Illinois. Again OPIC has not cost the American taxpayer one red cent.

Mr. Speaker, I yield 5 minutes to the gentleman from New York [Mr. GILMAN], the chairman of the Committee on International Relations.

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

Mr. GILMAN. Mr. Speaker, I thank the gentleman for yielding me this time.

Mr. Speaker, I rise in strong support of H.R. 3759, the Exports, Jobs and Growth Act of 1996. This measure promotes U.S. exports, spurs U.S. investment in overseas markets and promotes economic development—all at minimal cost to the American taxpayer. It is supported by a broad-based coalition of 15 business organizations and labor unions and more than 150 individual companies.

Adopted by a voice vote on July 10, 1996, by the International Relations Committee, this measure provides a 5-year authorization of the Overseas Private Investment Corporation.

I want to pay tribute to my colleagues on the committee, on both sides of the aisle, who have worked long and hard on this legislation.

I congratulate the gentleman from Wisconsin, TOBY ROTH, the distingushed chairman of the International Economic Policy and Trade Subcommittee, who has taken a leading role in shaping this important legislation and bringing it to the House floor this afternoon.

Founded in 1971, OPIC is a U.S. Government agency that provides project financing, investment insurance, and other services for American businesses in developing nations and emerging economies.

Its consideration today is all the more important in so far as its operating authority expires on September 30 of this year.

In its 25-year history, OPIC has supported $43 billion in American exports and close to 200,000 jobs while building reserves of some $2.6 billion. Over the past 2 years for New York State companies alone, OPIC has provided insurance and financial support for more than 400 projects generating $4.5 billion in American exports and over 9,000 U.S. jobs.

This is one of the very few U.S. Government agencies that is self-supporting, returning money every year since its inception. Every dollar of its $189 million of net income last year was deposited in the U.S. Treasury.

OPIC has demonstrated an outstanding track record in avoiding claims and achieving recoveries: The Political Risk Insurance Program has had to pay only 1 percent in claims and has had a recovery rate of 98 percent.

In a February 1996 privatization study an outside consultant, J.P. Morgan, concluded that OPIC is adequately reserved for the business it has on the books and plans for the future.

This legislation does call for large increases in OPIC's operating ceilings for its insurance and finance programs. But these increases will be phased in over a time period of 5 years or more. In addition, there is a demonstrable need for OPIC programs from American companies in all of the emerging markets around the world.

Furthermore, the Congressional Budget Office, in its review of this bill, has concluded that even with these higher limits OPIC will make a positive contribution of some $600 million in reducing the size of the deficit.

By requiring OPIC to invest only in U.S. Treasuries, we are in effect reducing the amount that the U.S. Treasury has to borrow day-to-day to fund the deficit. As a result, the taxpayer benefits from the premiums paid by private companies who use OPIC's services. This is corporate ''workfare'' not ''welfare''.

The bill also provides a 2-year authorization for the export promotion programs of the International Trade Administration of the Department of Commerce as well as for the Trade and Development Agency.

Since its inception in 1981, TDA has provided feasibility studies, specialized training grants, and other forms of technical assistance to American businesses competing for infrastructure and other industrial projects overseas.

Finally, the bill requires the Trade Promotion Coordinating Committee to provide more comprehensive services to small- and medium-sized businesses.

In sum, this bill will support billions of dollars of U.S. exports, the creation of thousands of jobs at minimal cost to the taxpayer.

Accordingly, I urge its immediate adoption.

Mr. PETERSON of Minnesota. Mr. Speaker, I yield 4 minutes to the distinguished gentleman from California [Mr. ROYCE].

Mr. ROYCE. Mr. Speaker, we are talking today about the Exports, Job and Growth Act of 1996. Whenever supporters give a bill a motherhood and apple pie title like that, and who is not against exports, who is not for growth and jobs? But it is time to take a hard look when people give a title to a bill like that.

It should be called the doubling OPIC Act. That is what we are doing today. We are expanding and doubling a Government agency, the Overseas Private Investment Corporation, at a time when many on this floor have committed themselves to balancing the budget and encouraging the private sector by asking, Is this an appropriate role for government?

We have heard how OPIC does not give subsidies. We have heard that charge. But can anyone tell us how this is true? The fact is that not only does OPIC receive operating expenses from the U.S. Government, but most importantly what it does is it sells the full faith and credit of the U.S. Government. That is what it does.

Does that sound familiar? That is what the savings and loan industry did. It sold the full faith and credit of the U.S. Government.

Mr. ROTH. Mr. Speaker, will the gentleman yield?

Mr. ROYCE. I yield to the gentleman from Wisconsin.

Mr. ROTH. Mr. Speaker, how much money is OPIC going to cost the American taxpayer?

Mr. ROYCE. The answer, if it goes bust, about $25 billion.

Mr. ROTH. Has it cost the American taxpayer one red cent?

Mr. ROYCE. Let me respond to that. The savings and loan industry in the 1970's did not cost the taxpayer one red cent, but in the 1980's it certainly did.

Mr. ROTH. The gentleman has not answered the question.

Mr. ROYCE. Let me have my time; then you may have your time.

Mr. ROTH. The gentleman is yielding to my question, so I thought I would ask how much has it cost the American taxpayer. Not one red cent.

Mr. ROYCE. I just shared with you that it could cost the American taxpayer $25 billion because that is what you are putting the taxpayer on the hook for.

Mr. ROTH. That is not true.

Mr. ROYCE. Because you are ballooning this program up and, yes, it is the full faith and credit of the U.S. taxpayer that will be on the hook.

Mr. ROTH. That is not true.

Mr. ROYCE. There are no free lunches. As I said, this puts the American taxpayer on the hook. If we look at the countries that we are rating here, that we are insuring, some of them are rated as double F, double F by OPIC itself.

There is no end in sight to OPIC's expansion because OPIC has a good racket, because there is market value to Uncle Sam's backing, and that means OPIC discourages private sector competition.

The fact is that the private market in risk insurance will not reach its potential as long as OPIC is in business. Just read the recent J.P. Morgan report on OPIC. It does not make much of a case that private sector competitors are not being crowded out of the business. The J.P. Morgan report also says the demand for political risk insurance is growing.

So what is our response here today? Not faith that the market will expand to serve this new demand, but instead some say, Let's expand OPIC and deter private interests from taking this business.

There certainly are private alternatives to OPIC's latest and growing activity, and that is starting up investment funds for developing countries. Today there are hundreds of private developing country investment funds. Portfolio money is flooding into the developing world, all parts of the developing world.

Over the last several years several funds have started up to invest in Africa, long thought to be out of bounds for investors. Look them up, they are listed on the New York Stock Exchange. Individual Americans and institutions are buying these funds. So why is OPIC involved with the Africa Growth Fund or funds in Poland or Russia? The private sector responds; it does not need a government push.

Last, I will just say, what type of message are we sending to developing countries? We rightly preach privatization and the virtues of the free market, yet here we have OPIC giving Government subsidies. It sends the wrong message to the developing world.

Mr. ROTH. Mr. Speaker, just let me say so the American people know what is going on, there is not one red cent of Federal dollars involved in OPIC. OPIC is all private funds.

Mr. Speaker, I yield 5 minutes to the gentleman from Nebraska [Mr. BEREUTER].

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

Mr. BEREUTER. Mr. Speaker, I rise in strong support of H.R. 3759. This legislation does not only deal with OPIC; it reauthorizes some of the most important export promotion programs including OPIC, the Trade and Development Agency, and the International Trade Administration.

I have heard some of my colleagues from Illinois, from Ohio, from California speak about this legislation. I would say I have always admired my colleague from Ohio. He is articulate. He is tenacious. He is also tenacious in holding onto a myth. Somebody has convinced him there is corporate welfare here. If you whisper, you shout that word, people get frightened. And, like mindless buffaloes, they stampede off the cliff or, like lemmings, they march into the sea.

We have to look out for what is in the best interests of the United States and our workers and our exporters. We have heard mention that OPIC might default. We have heard the old bugaboo raised about the savings and loan institutions. There is not a risk-free environment in the world.

But OPIC has been operating for 25 years. What kind of a record do you want? There has been no default. In fact, if you take a look at the conference report, I can tell you with verifiable numbers the following:

During the 25 years of its operation, OPIC estimates it has created $43 billion in exports to 140 countries. In direct jobs it has created at least 200,000 U.S. jobs, and they are good-paying jobs. And significantly, it is self-financing. There is no operation fund coming out of the U.S. Treasury. Through its own operations, it has funded them and it has built up in the process $2.5 billion in reserves to cover contingent liability, including deposits at the U.S. Treasury which of course we borrow because we are deficit financing government.

With a net income last year of $189 million, OPIC is able to cover, as it has always been, all of its own expenses and set reserves aside for insurance and financial risk through its own earnings.

For the U.S. economy to remain strong and vibrant in the 21st century, the U.S. Government must maintain and fund a comprehensive national export strategy. Exports currently account for nearly one-third of our Nation's reach growth. Yet stiff competition from export-driven economies in East Asia and the export-hungry countries of Europe constantly threaten the high-paying American jobs that are generated by these exports.

My colleague from Ohio mentioned the distinguished economist Milton Friedman. He is distinguished, but he is certainly not in the middle of the mainstream in the economists of the world or even the United States. He lives not apparently in a real world.

If we had a real world, we would not need OPIC, but we do not operate in a world in which other governments do not provide assistance to their exporters. They do. And more generously almost always than we do. If you want to retreat to an ivory tower. You can make a statement like the one quoted, but it is not realistic, ladies and gentlemen.

As the chairman of the Asia and the Pacific Subcommittee, this member witnessed firsthand how foreign governments take high-paying export jobs away from American workers. If this was bad for American workers, the first people here complaining about it would be organized labor and they are not here. They are supportive of this program.

Unclassified U.S. intelligence reports reveal that federal governments have stolen approximately $25 billion in recent years in potential U.S. contracts overseas by their generous assistance programs. How do these foreign governments take our jobs? Most importantly, they do not call export promotion corporate welfare. Political leaders in Germany, France, Japan, Canada, and all the industrialized countries of the world do not hesitate to give their exporters the tools necessary to win bids for lucrative infrastructure contracts in the world's developing countries.

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No, they are out there working and financing it.

Today in my office, this very day, I was visiting with a senior official from Japan's Export-Import Bank, the largest by far in the world. One can be sure that if this body fails to pass this legislation, he will be back in Tokyo and declare that 6 percent of the world's population, that is everybody that lives outside the United States, as Japan's markets, only to be shared with Europeans and the new tigers of Asia. And, he can report that America's political leaders have decided not to challenge Japan's aggressive pro-export government policies.

In a perfect world, government should not be required to assist their exporters, investors or their workers. But we do not have that situation. The lucrative rewards in jobs of gaining contracts in the developing world are simply too great for those countries to resist.

That is why Japan supports over 36 percent of its total exports with some form of export credit. That's right, Japan supports over 36 percent of its total exports with some form of export credit. Compare that to the United States paltry figure of 2 percent of total exports.

Mr. Speaker, the U.S. Congress will severely disadvantage U.S. exporters and investors if we choose to unilaterally disarm. In the highly competitive race for global markets, OPIC and TDA are to American jobs what missiles and tanks are to our national security.

Therefore, this Member urges his colleagues to support H.R. 3759, the Exports, Jobs, and Growth Act of 1996.

Mr. PETERSON of Minnesota. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, there has been a lot of talk on this floor about how this program does not cost any money. I would just like to read out of the committee report here, page 11, where it has got the Congressional Budget Office cost estimate. ''For 1997 through 2001, the net budgetary impact of title I is the increased cost by $120 million a year over current law.''

That is just in black and white.

Mr. KASICH. Mr. Speaker, will the gentleman yield?

Mr. PETERSON of Minnesota. I yield to the gentleman from Ohio.

Mr. KASICH. Mr. Speaker, not only does it cost the American taxpayers and come out of the budget to a tune of $120 million, I am not sure if my colleagues understand what a loan guarantee is. A loan guarantee by the Federal Government means if the loan goes bad, the Government makes the loan good. That is the direct liability by the taxpayers of this country involved in these programs.

If you have got an F minus-minus rating and you go under, guess who picks up the bill? The barber in Westerville picks up the bill, the beautician in Wheeling, WV, picks up the bill.

Look at this loan portfolio. We not only have direct costs of running this program, but tremendous liabilities to the taxpayers involved in loan guarantees from the Federal Government.

Mr. PETERSON of Minnesota. Mr. Speaker, reclaiming my time, we went through this with the savings and loan situation. I would like to know, the statement was made earlier this is all self-financing. What do you charge an F minus-minus company to make it a viable situation? How much do you have to charge a company like that? If you went into a bank and had an F minus-minus credit rating, you would not get a loan at all. So I think we need to get the whole facts of this out.

Mr. BEREUTER. Mr. Speaker, will the gentleman yield?

Mr. PETERSON of Minnesota. I yield to the gentleman from Nebraska.

Mr. BEREUTER. Mr. Speaker, I thank the gentleman for yielding.

Mr. Speaker, I would ask the gentleman from Ohio, in the 25-year history of OPIC, have they ever failed to generate a net operating surplus? Have they ever?

Mr. KASICH. Mr. Speaker, if the gentleman will yield, let me just say to the gentleman, I will get you the loan portfolio chart. No banker that I have ever met in my lifetime would make these kinds of loans to somebody trying to go in and borrow money to build a house or create a small business. The simple fact of the matter is, is that this portfolio and the studies indicate that this portfolio is so risky you could not even privatize this operation, for the simple fact that people know that they would stand to lose billions and billions of dollars if these loans go bad, and I will anticipate that some of them in fact will.

If this is such a wonderful program, creating all these jobs that are so profitable, my question is why do you need the taxpayers to bail you out?

Mr. PETERSON of Minnesota. Mr. Speaker, I yield 2 minutes to the distinguished gentleman from Wisconsin [Mr. KLUG].

Mr. KLUG. Mr. Speaker, I would like to thank my colleague for yielding me time.

Mr. Speaker, my colleague from Ohio just hit the nail on the head in this entire thing. What we are talking about, for folks at home who may be confused about this debate, is an insurance program run by the Federal Government for corporations who want to invest in risky political situations. They want to invest in risky political situations. We are running an insurance program for major corporations.

Now, the argument you will hear from supporters of this program is if we did not run OPIC, there would not be any U.S. exports and American companies would not invest overseas without OPIC's insurance program.

The fact of the matter is, that is not true. Of the $612 billion currently invested in developing countries, a third of them are insured by private companies who provide private insurance. You do not have to have the Government run it, they provide private insurance.

Of the 10 leading countries that the United States does export programs with, OPIC is not involved whatsoever. There is not a single OPIC dollar involved. So there are going to be export jobs out there whether or not OPIC exists, whether or not OPIC invests this money.

Listen to the irony. Here is what we are doing with OPIC. We are investing money in Eastern Europe that involves risky business deals. What we are doing in Eastern Europe is to try to help government-run corporations to make the transition to a private sector. In order to do that, we have to run a government corporation. We are trying to end government subsidies in Eastern Europe by running government subsidies right here in Washington, DC.

The bottom line is what this is about is the taxpayers' exposure for risky loans overseas. We are going to double it, in fact, up to $25 billion for one program, and $20 billion for the other program.

Who is going to get the money? Well, Coke, Union Carbide, Motorola. Last year Citicorp had income of $3.5 billion, and OPIC guaranteed $842 million. Citicorp is a bank, they do loans, they do investments. If they are coming to us to ask for insurance, does not that tell you maybe they are not too certain this portfolio is going to pay off?

It is bad deals for the taxpayers. We may not have lost money, but $20 billion, $25 billion, is at exposure for U.S. taxpayers. We should be ending OPIC, not doubling it.

Mr. PETERSON of Minnesota. Mr. Speaker, I yield 30 seconds to the distinguished gentlewoman from Washington, DC [Ms. NORTON].

Ms. NORTON. Mr. Speaker, let me try to rebut two points that have been made here.

Makes money. First of all, we lose right off the top. OPIC pays no taxes, pays no dividends, and two-thirds of its income comes from Treasury securities, from us to us. Second, unions who support it, there are always some unions who profit from exports. The real question for us is do we make up in the loss of jobs here?

For example, let me take four of the large OPIC users. Ford, minus 160,000 jobs here; Exxon, minus 83,000 jobs here; AT&T, minus 127,000 jobs here, General Electric, minus 185,000 jobs here.

When you show me they are making up for that kind of loss of jobs, you will get me.

Mr. ROTH. Mr. Speaker, I yield myself the balance of my time.

The SPEAKER pro tempore. The gentleman from Wisconsin is recognized for 15 seconds.

Mr. ROTH. Mr. Speaker, they say reason cannot beat emotion. I think reason can beat emotion. I am appealing to your reason. What other bill have we brought on the floor of this House that creates 123,000 good paying jobs? None. In 5 years, this bill will create $38 billion in exports. This OPIC has not cost the American taxpayer one red cent, but in the Treasury we have $2.5 billion because of this bill.

Mr. Speaker, this is a good bill. I appeal to your reason to pass this bill for the American people.

Mrs. MINK of Hawaii. Mr. Speaker, I rise in support of H.R. 3759, the Exports, Jobs and Growth Act of 1996. This measure reauthorizes the Overseas Private Investment Corporation [OPIC], the Trade Development Agency [TDA], and the International Trade Administration [ITA].

Over the past 20 years our Nation's trade deficit has ballooned to over $100 billion, eliminating thousands of jobs and lowering standards of living for many Americans. Ironically, as the world economy becomes more globalized due to the North American Free-Trade Agreement [NAFTA] and the General Agreement of Tariffs and Trade [GATT], other governments have increasingly subsidized their companies' operations and have gained larger market shares with their respective products. Consequently, many American companies are left at a competitive disadvantage.

To meet this challenge we need to maintain agencies, like OPIC, TDA, and ITA, that promote and strengthen our Nation's trade goals and objectives. According to the General Accounting Office [GAO], OPIC is a ''net negative'' program. In other words, OPIC pays for itself. OPIC has successfully operated for 25 years and its programs are user-fee based, not taxpayer financed. Nationally, the Overseas Private Investment Corporation supported 200,000 American jobs and generated $43 billion in exports. Small and medium size American companies are direct beneficiaries of this program.

Through the ITA and TDA, companies from Hawaii are able to obtain market data and initiate contacts with foreign firms. Moreover, small businesses have increased their share of the TDA awards from 22 percent in 1992 to 40 percent in 1995. In addition, this bill ensures a better coordinated export promotion service to small and medium-size businesses. The TDA supported 140,000 jobs and generated $7 billion and the ITA supported 92,000 jobs and generated $5.4 billion in 1995.

In the State of Hawaii, an estimated 230 exporting companies depend on these agencies for support. As Hawaii continues to diversify its economy, these agencies will play a greater role in the overall trade growth and investments in the islands. In 1992, Hawaii exports totalled $15.3 million, 50.5 percent of the Gross State Product [GSP].

The services OPIC, TDA, and ITA provide to America's small and medium size businesses is essential to gaining access to foreign markets, continued growth of the export market and is the catalyst to U.S. competitiveness in a global economy.

We are starting to make some headway in the battle to decrease our trade deficit. In June, the Department of Commerce reported that our trade deficit fell to $8.1 billion, a 23 percent decrease from the month of May. Overall, the U.S. trade deficit $8.7 billion less than last year. With the help of all these agencies, foreign markets once closed to American products and services are now more open than ever. Unless we provide trade assistance to our small and medium size businesses, our trade balance with other countries will continue to soar and many more American jobs will be lost.

I urge my colleagues to support H.R. 3759.

Mrs. MEYERS of Kansas. Mr. Speaker, I rise in strong support of this important legislation. These programs are vital for maintaining our international competitiveness. The expansion of OPIC's insurance and finance authority is desperately needed to meet the demands of American businesses' increasing foreign investment. TDA is also important for providing American engineering firms the level playing field they need to compete in providing infrastructure to the developing world. As we know, this investment produces American exports, and these exports produce jobs. And the Foreign Commercial Service works directly with American exporters, both in this country and abroad, to assist them in dealing in foreign markets.

I am especially pleased that this legislation provides for special emphasis for assistance to small businesses. The export market is a key untapped resource for many American small businesses. They need the assistance of OPIC and especially the Foreign Commercial Service both in its American offices and at our embassies overseas.

Finally, I would like to refute the claims of those who say that this is corporate welfare. It is rather the Government performing its legitimate function of assisting American citizens in their dealings with foreign countries. In many countries, foreign trade and investment is still heavily regulated by the government. The only institution that can deal with those foreign government agencies as an equal is one affiliated with our Government. OPIC and TDA do not use taxpayer money to give one American business an unfair advantage over another American business, they use user fees to give American businesses an equal shot at competing with foreign businesses—all of which have equal or greater support from their own governments.

I hope this bill can be quickly enacted into law.

Mr. ANDREWS. Mr. Speaker, today the House will vote on H.R. 3759, to reauthorize one of the most egregious examples of corporate welfare in the Federal Government, the Overseas Private Investment Corporation

[OPIC]. OPIC provides subsidized loans and insurance to large corporations for overseas investments, backed by the full faith and credit of the United States. OPIC gives corporations risk insurance at bargain-basement prices, to promote their expansion in unstable regions around the world, where private markets would be unwilling to lend at such low rates.

OPIC has placed at risk over $8.7 billion of taxpayer money. OPIC's generosity is extended to many Fortune 500 companies. DuPont received $200 million in loan guarantees. Coca-Cola obtained a loan guarantee of $165 million. Citicorp, with a net income of $3.5 billion in 1995, received $842 million of OPIC insurance. US West received $100 million in financing last year, while making a $1.3 billion profit. OPIC has helped other profitable companies, including McDonald's, Motorola, and Pepsi Cola.

H.R. 3759 doubles this corporate welfare, by increasing OPIC's ceilings for insurance and subsidized loans. H.R. 3759 doubles OPIC's cap on investment insurance, from $13 billion to $25 billion, and doubles OPIC's financing authority from $9 billion to $20 billion. Recently, we reduced welfare for the poor. We should not now double welfare for rich companies.

OPIC's corporate welfare hurts American workers. In 1994, Kimberly-Clark obtained $9.27 million from OPIC; the same year, the Labor Department certified that 600 of Kimberly-Clark's U.S. employees were adversely affected by the company's increased imports. Similarly, Levi-Strauss obtained $1.8 million in OPIC insurance, while the Government stated that 100 Levi-Strauss workers in the United States were hurt by the company's overseas trade. We should not encourage the largest corporations in America to invest abroad rather than reinvesting in America and creating jobs here at home.

OPIC puts taxpayer dollars at risk. OPIC obligates American taxpayers to underwrite the insurance for the possible loss of private investments by America's richest companies. OPIC has risked over $8.7 billion of U.S. taxpayer money in these markets. If there is political turmoil in an unstable country, and large companies lose their assets, the American taxpayers will have to bail them out. Taxpayers have already paid $80 billion to bail out Savings and Loans—we should not ask them to pay if OPIC's projects go bust.

OPIC wastes scarce Federal dollars. Proponents of OPIC claim that it has actually brought $2 billion to the Treasury. But OPIC does not generate income. Rather, OPIC generates reserves against possible potential insurance claims, which is not income to the Treasury and will not help offset the deficit. If there are claims against OPIC's outstanding insurance, these reserves could be wiped out. And OPIC gives loan guarantees, as well as insurance. If borrowers default on OPIC's outstanding loan guarantees, taxpayers will have to bail it out.

OPIC supports unnecessary projects. McDonald's received $14 million in loan guarantees to build 16 fast food restaurants in Brazil. OPIC guaranteed $27 million in loans for the renovation of a luxury hotel in Jamaica. OPIC even gave loan guarantees to a Costa Rican banana plantation, an Ecuadorian shrimp farm, and an art gallery in Haiti!

I urge my colleagues to join me in opposing the massive expansion of corporate welfare in H.R. 3759.

Mr. MANZULLO. Mr. Speaker, do you want to do something about improving wages and job security for your constituents? Then, support this bill.

As chairman of the Exports Subcommittee on Small Business, I held eight hearings on Federal export promotion programs. I've come away convinced that these programs are very helpful to small- and medium-sized firms, especially those new to exporting. What I discovered at these hearings is that the main problem facing small business is a lack of timely, accurate, and cost-effective information in finding potential customers overseas. This bill authorizes the trade functions of the Department of Commerce, including export assistance centers like the one headed by James Mied in Rockford, which small business exporters can use to find this information.

Many pundits have directed low wage growth and company downsizing. But several academic studies point to a growing correlation between companies that decide to export and higher wages, benefits, increased productivity, and more jobs. A study sponsored by the respected Institute for International Economics and the Manufacturing Institute concluded that:

First, firms that export grow jobs almost 20 percent faster than comparable nonexporting firms; second, exporting plants are 9 percent less likely to shut down than similar nonexporting plants; third, exporters pay their workers up to 10 percent more than nonexporting firms; and fourth, worker productivity is 20 percent higher at exporting firms.

What many do not realize is that these amazing statistics apply equally to small firms located in the heartland of America. During the early 1980's, Rockford led the Nation in unemployment at 26 percent. Now, thanks to an export-driven recovery over the past decade, Rockford has now one of the lowest unemployment rates in the country at 4 percent. During my visits to the 16th District, I am constantly amazed at the number of small firms engaged in world trade. RD Systems of Roscoe manufactures assembly machinery. Six years ago, they employed 11 people and only 5 percent of their business went overseas. Now, they employ 30 people and 60 percent of their business are exports, including a $1.7 million sale to China of a machine to manufacture cellular phone batteries. I find this repeated over and over throughout the 16th District where a little help from the Rockford export assistance center was the difference in making an overseas sale. If we want small firms to stay alive and grow, then looking to foreign markets should be one tool in their arsenal. I ask unanimous consent to insert in the RECORD a story from Business Week detailing this nationwide phenomena and an article from the Rockford Register Star providing local examples.

The Federal Government can serve as a helpful partner through OPIC, TDA, and the Department of Commerce International Trade Administration division in encouraging more and more small businesses to enter the global marketplace. This is not corporate welfare. This one important way we can grow jobs and increase job security in this country. And, H.R. 3759 raises revenue from corporations for the Government because OPIC's political and commercial risk insurance premiums brought in $122 million into the Treasury last year.

That's why the title of this legislation, the Exports, Jobs, and Growth Act of 1996, is aptly named. I also appreciate the willingness of Chairman ROTH to accede to my request to place in the statutory mandate of the Trade Promotion Coordinating Committee a requirement that they identify more ways they can coordinate export promotion services to work for small- and medium-sized businesses. Big companies have their own sources of information and more resources at their disposal. Encouraging more small business to become ready to export must be a top priority of the TPCC.

Finally, Mr. Speaker, I could not let this opportunity pass without a salute to the magnificent work of the chairman of the International Economic Policy and Trade Subcommittee, Mr. ROTH of Wisconsin. TOBY, this may be the last time, as a manager of a bill on the floor, that we can formally thank you for your service to this House. We will all miss your leadership next year.

Thank you, Mr. Speaker, for your indulgence, and I urge the adoption of this bill. The U.S. Chamber of Commerce; the Coalition for Employment Through Exports; the National Foreign Trade Council; and the United States-Russia Business Council are but a sample of the organizations in support of this legislation. Let's pass this bill on suspension today so that the other body can act expeditiously before OPIC expires at the end of this month.

[Special Report from Business Week, Apr. 17, 1995]

IT'S A SMALL (BUSINESS) WORLD

(By Amy Barrett in Washington)

For 102 years, Bicknell Manufacturing Co. has made industrial drill bits for construction equipment at its modest plant in Rockland, Me. For most of that time, the family-owned concern thrived, with growth of about 8% a year in the late 1980s. Then came the 1990 recession. The construction market withered—and with it demand for Bicknell's products. As sales stalled, the company scrambled for new business. ''We had to change course,'' says John E. Purcell, Bicknell's general manager.

With little likehood of a quick turnaround at home, Bicknell set its sights on markets abroad. ''There was much trepidation, with a capital T.'' says Purcell, 38, recalling that none of the 65 employees at the $4 million company had had any foreign experience. Still, with construction booms in Brazil, Colombia, and Mexico, the foreign market was beckoning. After Purcell found a distributor while visiting Mexico on a trade mission sponsored by the Small Business Administration, Bicknell began exporting to Latin America two years ago. And Purcell couldn't be more delighted with the results. He has just signed a deal to begin selling in China and Vietnam. This year, Purcell expects international sales to grow 20%, for 15% to 20% of the company's total revenue. ''We're starting to see it pay off,'' he says.

Purcell's enthusiasm is just one case of a new global fever to hit U.S. business. This time, instead of afflicting the goliaths of Corporate America, it's sweeping through the ranks of U.S. entrepreneurs. Whether they're seeking to escape sluggish markets at home or build on their successes, more small companies are looking beyond the local and regional markets that have long nurtured and sustained them.

A survey of almost 750 companies by Arthur Andersen & Co. and National Small Business United, a trade group, found that 20% of companies with fewer than 500 employees exported products and services last year. That's up from 16% in 1993 and 11% in 1992, the first year the survey was conducted.

And many experts expect that the trend will continue as more and more small businesses plumb the potential of foreign markets. ''It presents a huge growth opportunity,'' says David L. Birch, president of economic researcher Cognetics Inc.

The push abroad by a whole new stratum of U.S. companies is having a profound impact on the trade front. True, the $200,000 in foreign sales that Bicknell chalked up last year is nothing compared with Boeing Co.'s $11.4 billion in exports. But together, small companies are helping fuel an export explosion that has more than doubled total overseas sales since 1986, to $696 billion last year. While service sector exports are difficult to measure, DRI/McGraw-Hill figures that small businesses could account for 50.8% of the $548 billion worth of manufactured goods that the U.S. will likely export this year, up from 45.5% a decade ago.

Entrepreneurial success overseas is bound to produce other economic benefits. Bountiful markets abroad could insulate small companies from periodic downturns at home. And as it carves out more foreign business, small business could enhance its reputation as the job generator of the 1990s. ''A lot of small businesses adding five or six people may not sound like much,'' says Donald T. Hilty senior fellow at the Economic Strategy Institute in Washington. ''But when you add it all up, there's real potential for job creation.''

Tiny Lucerne Farms in Fort Fairfield, Me., is certainly doing its part on the job front. Thanks to the dollar's precipitous drop against major currencies in recent months, George A. James, president of the $350,000 horse-feed company, says his products are 25% cheaper in yen terms compared with a year ago. That drew an inquiry from a Japanese distributor. Now, orders from Japan could double his total revenue this year. To keep up with the flood of business, James is planning to take on five new employees on top of his current eight-person team. ''Without this international business, we could never expect to grow as rapidly and add these jobs,'' he says. ''This is a real shot in the arm.''

High-profile pacts such as the North American Free Trade Agreement and the General Agreement on Tariffs & Trade have also accelerated the march by small business into the global arena. Both agreements have gone a long wait toward lowering barriers to imports in foreign countries, while alerting entrepreneurs to opportunities abroad.

Jeff A. Victor, for one, credits NAFTA for his surging export volume. The general manager of $6 million Treatment Products Ltd., which makes car cleaners and waxes, had been trying to expand his small presence in Mexico since 1990. But stiff Mexican tariffs that ran as high as 20% made that impossible for the Chicago-based company. Six months after NAFTA went into effect in January, 1993, and tariffs started gradually dropping, Victor says he landed contracts with almost every major retail chain in Mexico, including Futurama, Gigante, and Soriana. His shipments to Mexico have tripled, to roughly $300,000, about 20% of the company's total exports. Victor concedes that Mexico's financial meltdown has hurt. One retailer has put a big order on hold. But he's sticking it out. To make his car wax more affordable to Mexican consumers, he's considering selling it in smaller bottles. ''After selling in Mexico for five years, I'm not going to pack my bags and leave,'' he vows.

RISKY SHORES

The threat of a Mexican-style calamity in other countries isn't the only thing that makes venturing abroad so risky and complicated. Lining up customers and distributors—tough enough at home—becomes an enormous challenge when a market is a continent away. And then there's financing. Lenders are already leery of small companies. But the thought of a pint-size outfit venturing into uncharted markets is enough to give some bankers the vapors.

They have reason to be worried, because plenty of small companies are innocents abroad. Many entrepreneurs get their first taste of global markets by filling stray foreign orders that come their way. Often generated by referrals or chance meetings at domestic trade shows, these orders are quick and painless to fill—and can give the false impression that exporting isn't so tough. ''A lot of small businesses export opportunistically,'' says Abby K. Shapiro, chairman of International Strategies Inc., a trade consulting firm. ''The problem is not enough of them do it thoughtfully.''

Lack of proper preparation can lead to costly mistakes. John P. Woolley, general manager of PC Industries, recalls how he shipped a $10,000 replacement computer component to a French customer six months ago and was stunned when he was billed $2,500 for value-added tax. Woolley's company had to absorb the unexpected bill. He says such expensive lessons are causing his $3 million Glenview (Ill.) company to rethink its overseas commitment. ''The jury is still out on how strongly we'll pursue it,'' he says.

For small companies that decide to persevere with their export strategies, identifying suitable markets is generally the first step. Many turn to federal and state agencies for market information (page 101). The U.S. Commerce Dept., for instance, has a trade database available through its 73 field offices and public libraries. The database has research reports on 117 industries in 228 countries.

It's a good starting point for figuring out what's hot and what's not. Right now, environmental companies—those specializing in everything from waste-water treatment gear to landfill management—are finding opportunities in the newly industrialized markets of South Korea, Indonesia, Malaysia, and Taiwan. And in Latin America, a growing middle class is fueling a new wave of health consciousness. Companies making cholesterol-testing equipment, for instance, may find eager customers in Brazil and Mexico.

Some entrepreneurs display a lot of ingenuity when scoping out markets. Harden H. Wiedemann, chairman of Assurance Medical Inc., a $2 million Dallas company that sells alcohol- and drug-testing services, uses the Internet. He says he has found voluminous online information on the growing concern with alcohol-related problems in Argentina. ''Some of the best information we fund we just stumbled on as we were surfing around,'' he says

FARTHER AFIELD

Not surprisingly, most first-time exporters head north of the border. With few language barriers, a similar business culture, and now NAFTA. Canada is the most appealing market for small companies. But entrepreneurs, emboldened by past trade triumphs or tempted by flourishing markets, are setting their sights on more distant climes. Fully 12% of those responding to the Arthur Andersen/Small Business United Survey say they export to Western Europe in 1994, while 11% targeted fast-growing markets in the Asia-Pacific region.

Heather Stone has certainly expanded her horizons. Last year, she began selling her invention— a scooter for people with leg or foot injuries—to a distributor in Canada. Then last fall, Stone was invited by the Japan External Trade Organization to display her product, called Roller-Aid, at a Japanese trade show. She now expects her company, Stoneheart Inc. in Cheney, Wash., to start shipping to Japan this summer. She figures exports will generate about 20% of her company's $500,000 in sales this year. ''This international business just kind of fell in my lap,'' she says with a smile ''For me, it wasn't as difficult as I expected.''

Chasing emerging markets requires something many entrepreneurs already have: a stomach for risk. Like his counterparts at much bigger companies, Robert A. Giese of RGdata Inc. was quick to set his sights on untapped markets in the then-Soviet Union—as early as 1989. The Rochester (N.Y.) computer-net-working company that he founded in 1974 hadn't done any serious exporting. But he felt the opportunities in Russia and nearby countries were overwhelming. True, shipping was a nightmare, and phone communication was in the dark ages. But he says waiting until a market is stable makes no sense: ''By then, everyone already has a dance partner.'' In 1989, he teamed up with three other small companies to pay for a $25,000 booth at a Commerce Dept.-sponsored trade show in Moscow. Last year, 20% of his $19 million in business came from former Soviet countries.

Some entrepreneurs have turned themselves into globe-trotting promoters to drum up business. Katherine Allen, who with her mother runs Allen Filters Inc., figures she spends almost a third of her time abroad, schmoozing with potential customers for her oil-cleanup products and services. Allen reckons that, of her yearly $4 million in sales, half comes from exports, thanks to her network of contacts from Singapore to São Paulo. And now—two years and numerous cocktail parties after her first visit to Beijing—she has potential customers in China. Allen Filters may not have the marquee value of big U.S. exporters, but Allen says her journeys have convinced her that a small company can make it if it understands markets and customers. ''If they have a good foundation, I think the world is open to most small businesses,'' she says.

For the typical small company, however, a foreign partner or distributor is the only access to a new market. It's a crucial relationship. Lazy distributors won't do much for business, while inept or unsavory ones can ruin a small company's reputation in a new market. Two years ago, computer maker WIN Laboratories Ltd. in Manassas, Va., pulled out of a joint venture in Chile, blaming its Chilean partner for customs delays and weak sales. ''It hasn't soured the outlook on exporting here,'' says Mark H. Magnussen, WIN's director of business development, who is considering joint ventures in Brazil and Mexico. ''But in the future, we'll do a lot more legwork.''

FISH STORY

Such research doesn't have to mean frequent trips to far-flung ports of call. One gold mine of information: U.S. companies that sell related products. Fred Hansen, vice-president for marketing at Mardel Laboratories Inc. in Glendale Heights, Ill., which makes water conditioners and other supplies for tropical-fish aquariums, hired a distributor in Hong Kong after contacting Penn Plax Plastics Inc., a Garden City (N.Y.) company that sells plastic underwater plants. The company didn't compete with Mardel, but it knew both the distributor and the industry well.

Small companies with bigger budgets can participate in trade shows sponsored by state and federal agencies. The Commerce Dept.'s Gold Key program, for example, can arrange for a small-business executive to meet with prescreened potential partners in a foreign country. Jim DeCarlo, president of Phenix

Technologies, based in Accident, Md., met his Spanish distributor on such a jaunt. He spent three days in Madrid in 1993, meeting with potential partners at the U.S. embassy. The trip cost the company, which makes electrical testing equipment, roughly $3,500—a wise investment, says DeCarlo. ''I wouldn't have known where to start'' to look for a partner, he concedes.

Like their bigger brethren, some small businesses are establishing overseas arms. Eli E. Hertz, founder of Hertz Computer Corp. in New York, bought a small distributor in Israel in 1990 to sell his equipment. He says being nearby to handle his clients' servicing needs gives him an edge over rival exporters. Today, Israeli customers account for 25 percent of his $10 million in sales. ''Being there is a huge advantage,'' Hertz says. His customers agree. ''When they get a call, they're here in four hours,'' says Shlomo Stern, the head of systems operations for OFEK Securities & Investments Ltd.

Whatever their strategy for penetrating foreign markets, small companies inevitably find that lining up trade financing to pay for manufacturing or to extend credit to customers is the stiffest challenge of all. Many U.S. banks abandoned trade financing in the 1980s after the Latin American loan debacle. Even banks though to be entrepreneur-friendly shy away from tiny, complex, labor-intensive trade finance deals. Jeanne A. Hulit, vice-president for international banking at Key Bank of Maine, a unit of KeyCorp, says one recent small trade loan—less than $100,000—took so much time and energy that she might require an up-front fee from exporters in the future. ''It was way too much work for a small loan,'' says Hulit.

Some small companies have benefited from trade finance programs sponsored by government agencies. Phenix Technologies' DeCarlo recently lined up a $400,000 revolving credit for his export business with the help of a guarantee from the Maryland Industrial Development Financing Authority. But such programs are poorly funded. Though the Small Business Administration and the Export-Import Bank have doubled the size of their financing programs since 1991, together they guaranteed only $253 million in export-related lending for small businesses in 1994.

And entrepreneurs still complain about excessive paperwork. Last fall, Thomas Parks, chairman of 423 million Quickway Industries, applied for a line of credit backed by the ExIm Bank to boost his company's auto machine-tool exports. The bank wanted to see audited financial statements for the past three years from Parks' customers. When Quickway asked six big foreign customers for such documents, all but one flatly refused, Parks says. ''They said: 'It's just too complicated dealing with you guys,' '' he recalls. In the end, Parks continued to draw on his company's own limited cash flow to finance his export expansion. But he says he hasn't grown nearly as fast as he had hoped.

Unfortunately for small companies, there's plenty more red tape awaiting them overseas. Foreign governments impose standards for imported goods that are often intended as barriers to imports. The Commerce Dept. figures that for the typical U.S. machine manufacturer, the cost of additional paperwork and certification can add up to $100,000 a year. That's a big bite for any company and potentially crushing for a small one. On top of that, importers often insist that suppliers meet guidelines set by the International Organization for Standardization. The group, representing 91 countries, sets quality measures on manufacturing procedures, design, and servicing. Many small companies find the certification too costly and time-consuming.

Of course, no one said that exploring exotic markets would be easy. It never has been—neither for caravan drivers plying the Silk Road nor for sailors seeking the Spice Islands. But like them, today's entrepreneurs know that playing it safe by staying at home may be the riskiest strategy of all.

WANT TO GO GLOBAL: HERE'S WHERE TO FIND HELP

At one time or another, many small businesses have toyed with the idea of going global. But just understanding the paperwork and bureaucracy associated with exporting can be daunting. Information is hard enough to come by. Even though the Commerce Dept. is more supportive of small business these days, it's still widely viewed as an advocate of big companies. And many entrepreneurs have given up in sheer frustration. Joel Krieger, head of marketing for Taub Floor Coverings Inc., a $3 million company based in Staten Island, N.Y., put his global plans on hold three years ago when he realized he didn't have the time or the staff to devote to coping with the complexity of foreign markets. ''Just gathering the information available was staggering,'' he recalls.

Yet for small businesses willing to do their homework, there are a number of excellent resources to help them get started. They are relatively low-cost services; many are free of charge. In the long run, the guidance these services offer can speed up a new exporter's entry into foreign markets while helping to sidestep many of the most common—and costly—blunders. Here are just a few places to go when developing an export strategy.

Commerce Dept. Hot line

A good starting point. Specialists can provide details on different federal programs details on different federal programs that will help new exporters tap foreign markets, as well as general information on state export promotion programs. The Commerce Dept. can also offer guide sheets on a number of tricky exporting problems; including how to handle the paperwork required to qualify for the low tariffs under NAFTA. Consultations and information are free. Call 800 USA-TRADE.

Export opportunity hot line

Run by the Small Business Foundation of America, a nonprofit organization based in Washington. Calls are handled by trade experts. Tips include how to find a foreign distributor and cheap ways to test-market a product overseas. Companies that are exporting for the first time can also get advice on how to research potential markets. And exporters who have hit snags can get help in solving their problems. No charge. Call 800 243–7232. In Washington, call 202–223–1104.

Service Corps of retired executives

Working on conjunction with the Small Business Administration, SCORE serves to match up small businesses with mentors who have experience in foreign trade—at no cost. These volunteer business veterans can assist new or troubled exporters in putting together a strategy for succeeding abroad. SCORE has 370 chapters throughout all 50 states and roughly 500 seasoned exporting counselors.

Access to export capital

The AXCAP program is run by the Bankers' Association for Foreign Trade, a trade group. Small exporters who don't know where to go for financing can contact AXCAP specialists. Searching their national database, the group provides a small business with a list—usually within 24 hours—of banks in its area that handle various types of transactions. The searches are all free. Call 800 49AXCAP.

Export legal assistance network

Like it or not, small exporters will probably need a good attorney. A lawyer with experience in foreign trade can give new exporters advice on everything from protecting patents and trademarks to drafting contracts with new partners. This network provides free referrals to local attorneys with trade experience who provide one free counseling session for new exporters. Contact either the Commerce Dept. hot line or Judd L. Kessler, the national coordinator for the network, at the law firm of Porter, Wright, Morris & Arthur in Washington. Call 202 778–3000.

American society for quality control

This not-for-profit trade association offers free advice to companies that want to meet manufacturing standards set by the International Organization for Standardization, a group representing 91 countries. While the standards are fairly general, companies hoping to win substantial overseas business may have to adjust their operations to pass a certification test conducted by an accredited examiner. The society can also put callers in touch with other companies that have already gone through the process.

[From the Rockford Register Star, Aug. 13, 1995]

GLOBAL ECONOMY HITS HOME—LOCAL INDUSTRY CASHES IN ON GAINS IN AMERICAN EXPORTS

(By Georgette Braun)

ROCKFORD.—Mark Ellis figured it cost RD Systems less than $10,000 to land a $1.7 million contract last week to build four machines for a Chinese company that manufactures batteries for cell phones.

That one order represents a third of the company's $5 million in annual sales.

''It was mostly faxes, phone calls. I have 150,000 miles on my frequent flier card,'' said Ellis, sales manager for RD. ''I know my way around Hong Kong better than I know my way around Rockford.''

Selling overseas has become a bigger part of Ellis' job at the Roscoe company that employs 30 workers. Five years ago, exports were about 5 percent of RD Systems' sales. Today, it's 60 percent.

RD Systems is not alone in its reliance on exports to keep sales growing. Big export gains are being made on a national and local level.

In the second quarter, exports of U.S. goods and services grew at an annual rate of 7.2 percent, the Department of Commerce reported last month. That was much faster than the economy's 0.5 percent annual growth rate.

One reason for the export increase was the decline in the value of the dollar, which made U.S. products a better buy. Another reason was growing demand for U.S. products in the Asia/Pacific market.

Exports of manufactured goods, as a percentage of the gross domestic product, climbed to 10.7 percent last year from 7.5 percent in 1984.

In Illinois, exports grew by 99 percent between 1987 and 1993, exceeding the 90 percent increase recorded by the nation as a whole.

During the same period, export sales from the 611 zip code, which encompasses Winnebago County, grew 51.1 percent.

LOCAL EXPORTERS

Large local employers are among the top exporters in Illinois, according to Crain's Chicago Business. Sundstrand Corp., a Rockford-based aerospace and industrial parts maker, ranked 12th in last year's listing; Newell Co., a Freeport-based housewares, hardware and office suppliers maker, was 20th; and Woodward Governor Co., a Loves Park-based aircraft and industrial controls maker, ranked 23rd.

Manufacturers aren't the only ones growing because of an increase in international business.

Lorna Flores started AMCORE Bank's international services program six years ago. It now serves 28 companies.

The volume of transactions made through the program has more than tripled, she said.

One of the bank's most popular services helps companies obtain letters of credit that assure payment from foreign companies through a U.S. bank.

The letters are especially important in countries ''where there is a lot of political risk,'' such as in Brazil or Mexico, she said.

Steven Morreim, president of QED Dryer Sales and Mfg., said he uses the bank's services ''to keep us straight on paperwork.''

The Rockford company is in the process of shipping a grain dryer worth more than $100,000 to a company in Russia. QED has done business in Nigeria, Turkey and Colombia.

Exporting makes up about 10 percent of the company's sales. Morreim expects to at least double that in five years. The company employs eight full-time workers.

LEGISLATION, EDUCATION

Local legislators and educators are also looking at how local companies can increase their exports.

Rep. Don Manzullo, R-Egan, is trying to reorganize U.S. trade agencies within the Department of Commerce to save money without hurting business exports.

Manzullo has been holding hearings on trade promotion and the function of various programs. He is working on trying to reorganize trade promotion efforts and cut duplication.

''The future of trade promotion must be easily accessible to the entire U.S. business community,'' he said in a statement earlier this month before testifying to the House International Relations Committee on the future of the Department of Commerce.

Rock Valley College, with other economic development groups, hopes to help small businesses through an ''export clinic'' to be held at the college Thursday, Aug. 24. The college next month will begin a three-month-long, once-a-week class on how to sell overseas.

Small companies are ''the ones that need (help) most,'' because of limited resources, said Thomas de Seve, coordinator of international programs.

Getting into the business of exporting is not as hard as it seems, according to those who have done it.

''It's not intimidating,'' said Larry Lewis, owner and president of National Metal Specialists Corp. ''The first time you go through it, it might be, but after you start repeating it, it's not bad.''

Exports at National Metal make up about $300,000 of the company's $4 million in annual sales. The company ships to countries in Central America and South America.

National Metal's 60 employees manufacture mops and parts for mops.

Lewis said the company made inroads in exporting by making contacts at international trade shows. So far, profit margins made on exports has eclipsed those made domestically.

''Overall, it's 20 to 30 percent better,'' he said.

''The people are so happy to find the product. You don't have the intense retail pressure.''

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Wisconsin [Mr. ROTH] that the House suspend the rules and pass the bill, H.R. 3759, as amended.

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

The yeas and nays were ordered.

The SPEAKER pro tempore. Pursuant to clause 5, rule I and the Chair's prior announcement, further proceedings on this motion will be postponed.

SPECIAL ORDERS

The SPEAKER pro tempore. Under the Speaker's announced policy of May 12, 1995, and under a previous order of the House, the following Members are recognized for 5 minutes each.

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Florida [Mr. GOSS] is recognized for 5 minutes.

[Mr. GOSS addressed the House. His remarks will appear hereafter in the Extensions of Remarks.]

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New Jersey [Mr. PALLONE] is recognized for 5 minutes.

[Mr. PALLONE addressed the House. His remarks will appear hereafter in the Extensions of Remarks.]

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Indiana [Mr. MCINTOSH] is recognized for 5 minutes.

[Mr. MCINTOSH addressed the House. His remarks will appear hereafter in the Extensions of Remarks.]

RETIREMENT OF REAR ADMIRAL THOMAS F. HALL, U.S. NAVY, CHIEF OF NAVAL RESERVE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Mississippi [Mr. MONTGOMERY] is recognized for 5 minutes.

Mr. MONTGOMERY. Mr. Speaker, I rise today to recognize the dedication, public service, and patriotism of Rear Adm. Thomas F. Hall, U.S. Navy, Chief of Naval Reserve. Admiral Hall retires from the Navy on October 1, after a distinguished 37-year career of service to our Nation.

A native of Barnsdall, OK, Admiral Hall reported to the U.S. Naval Academy in 1959, graduated in 1963 and was designated a Naval Aviator in 1964. After earning his wings of gold, Admiral Hall joined the maritime patrol forces flying the new P–3 Orion. During flight training, he was named the outstanding student, and graduated No. 1 in his class. Admiral Hall continued to distinguish himself throughout his flying career amassing almost 5,000 pilot hours.

His initial fleet assignment was with Patrol Squadron Eight, flying combat missions in Southeast Asia. Subsequent tours included the U.S. Naval Academy, as a company officer and executive assistant to the commandant of midshipmen, Patrol Squadron Twenty-Three, completion of the command and staff course at the Naval War College, graduating with distinction, and assignment to the Bureau of Naval Personnel, where his billets included aviation staffs placement officer, head of air combat assignment. Admiral Hall returned to VP–8 as executive officer and then assumed duties as commanding officer. Admiral Hall also completed the course of instruction at the National War College, again graduating with distinction, and served on the staff of the Chief of Naval Operations where he served as head of the program objective memorandum development section, as chief of staff to Commander Fleet Air Keflavik, and as a fellow to the CNO's strategic studies group. In addition to command of VP–8, Admiral Hall has also served in command of Naval Air Station Bermuda, the Icelandic defense forces, and most recently, command of the Naval Reserve.

Since September 1992, Admiral Hall has been the Chief of Naval Reserve, guiding the Naval Reserve force through its largest drawdown, while maintaining readiness and significantly increasing contributory support to the fleet. Under Admiral Hall's leadership, the total force policy was realized—Regular Navy and Navy Reservists working side-by-side, meeting forward presence requirements in operations worldwide.

In August 1989, Admiral Hall was promoted to rear admiral (lower half) and in July 1992 to his present rank of rear admiral (upper half). Admiral Hall wears the Defense Superior Service Medal, Legion of Merit, Meritorious Service Medal, Meritorious Unit Commendation, and various unit and campaign awards, holds a masters degree in management from George Washington University and attended Harvard University senior executive program. In July 1992, Admiral Hall was awarded the Icelandic Order of the Falcon, Commander's Cross with Star, by the President of Iceland.

Our Nation, his wife Barbara, and his son Tom, can be immensely proud of the admiral's long and distinguished career and his service to our country. I wish Admiral Hall and his family best wishes in his retirement.

AFL–CIO ATTACK ADS ON REPUBLICANS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California [Mr. RIGGS] is recognized for 5 minutes.

Mr. RIGGS. Mr. Speaker, I wanted to follow up on some remarks I made on the floor earlier today during the course of the debate on one of our suspension bills, and that is the reference that I made to the new round of attack ads, because I do not think you call them anything but, the new round of attack ads being aired on television stations around the country and paid for by the AFL–CIO. These are television ads orchestrated by the big labor bosses of the AFL–CIO in Washington, airing exclusively in the congressional districts of incumbent Republicans, and they are part and parcel of an orchestrated campaign by the AFL–CIO to help the National Democratic Party win back control of the House of Representatives.

These new ads follow on the heels of their MediScare ads, where they distorted our efforts to preserve and to strengthen Medicare and protect it from bankruptcy by increasing annual spending for the program at a rate of 7 percent as opposed to the 14-percent