over $1,400 and a tiger pelt may be worth up to $15,000. It is essential this market be destroyed and that people who live in the tigers' habitat begin to understand the consequences of exterminating an animal that has such a dramatic impact on so many other species.

These were fundamental goals of the Rhinoceros and Tiger Conservation Act of 1994. While it is still too early to tell whether this law will stop the population decline, it is clear that unless the United States takes a proactive leadership role in saving these species, they will soon only exist in remote wild locations or in zoos.

Since its enactment, the Congress has appropriated $1 million over the last three fiscal years. While this is considerably less than the $30 million that was authorized, this money has funded 24 conservation projects to assist rhinos and tigers at a Federal cost of about $530,000. The U.S. Fish and Wildlife Service is now evaluating an additional 70 proposals from organizations that are interested in helping to conserve these irreplaceable species.

According to the U.S. Fish and Wildlife Service, it has funded 12 rhino projects, 6 tiger projects, and 6 projects that will benefit both species. These projects have included: an adopt-a-warden program in Indonesia; aerial monitoring of the Northern white rhinoceros in Zaire; establishment of a community rhino scout program for the survival of the black rhino populations in Kenya; investigation of poaching and illegal trade in wild tigers in India; a tiger community education program in Indonesia; and training of staff and surveys of four black rhino populations in the Selous Game Reserve in Tanzania. The sponsors of these projects, who are likely to match the grants with private funds, include the International Rhino Foundation, the Minnesota Zoo Foundation, and the World Wildlife Fund.

Based on the success of the African Elephant Conservation Fund, I am hopeful that these grants will make a positive difference in the fight to conserve rhinos and tigers.

Mr. Speaker, today I am introducing the Rhinoceros and Tiger Conservation Reauthorization Act, a bill to extend this landmark law for four years in the hope that it will help ensure that these vital species do not disappear from this planet.

''THE ROLE OF THE UNITED STATES AND THE IMF IN THE ASIAN FINANCIAL CRISIS''

HON. JOHN J. LaFALCE

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 27, 1998

Mr. LAFALCE. Mr. Speaker, in the coming weeks, the U.S. Congress will be debating the role and policies of the International Monetary Fund and how or whether the United States should support this international institution. The context will be the Administration's request for $3.5 billion for the New Arrangements to Borrow and $14.5 billion for an IMF quota increase, or capital replenishment.***HD***Background

Before turning to the heart of this debate, a brief background is in order. First, the New Arrangements to Borrow, or NAB, came about subsequent to the Mexican peso crisis of 1994–95. The United States led that rescue effort, with the assistance of the international institutions and other concerned nations. At U.S. urging, the G–7 Heads of State at the Halifax Summit in June 1995 called on the G–10 and other countries with financial capacity to develop a financial program that would have the capacity to handle future crises in the international financial system. Exactly one year ago today, the IMF Executive Directors approved the proposal for the NAB with 25 initial country participants. These countries potentially committed about $49 billion in lines of credit to be made available on an emergency basis if IMF ordinary funds need to be supplemented in a crisis. The U.S. contribution of $3.5 billion is equivalent to 19.74 percent share of the NAB.

Second, the proposed $14.5 billion U.S. contribution to the IMF's capital base (about $200 billion)—composed of member-countries subscriptions or quotas—is necessary for two reasons. First, IMF usable quota resources available to member countries has dwindled to about $43 billion. With the current IMF Stand-By programs committed to Asia—Korea, $21 billion (total package $57 billion); Indonesia; $10 billion (total package $43 billion); Thailand, $4 billion (total $17 billion); Philippines, $1 billion—IMF resources will be nearly depleted.

These Asia commitments underscore the second reason for the quota increase. When the IMF was established in 1944, its quotas and capital base were much larger relative to the size of the global economy. As the global economy has expanded, the IMF's resources have not kept pace, thus eroding its financial effectiveness. If we want the IMF to continue its role as the world's principal monetary authority with the responsibility of stabilizing the international financial system, it must have sufficient resources to credibly do so.***HD***The Risks of U.S. Inaction Far Transcend The Risks of Action

In determining how it will respond to the Asia crisis, the U.S. faces a pivotal choice. We can either use our central role in the international economic community to restore economic stability in Asia and safeguard the potential for economic growth there and at home. Or we can stand by as regional financial crisis blights the economic prospects of affected countries and their people, and simply hope it will not spread.

There are risks both in interceding, or in doing nothing, and letting the market dictate the consequences. I believe the risks of inaction are far greater.

Inaction would be contrary to what should be a central tenet of U.S. and IMF policies—halting the precipitous decline of Asian, and other regions', currencies. Continued currency depreciation will only exacerbate the deteriorating Asian domestic economies. Inevitably, that pain will spread to our own economy, in the form of lost export sales and investments, market turmoil, and increased unemployment. Absent intervention, competitive devaluations are much more likely to occur, doing further damage to the global trading system. If we are to protect that system, currency stabilization—and even appreciation of some of these currencies, which have plunged to all time lows against the dollar—is an imperative.

Inaction also carries the risk of spreading economic upheaval to other regions, including Latin America, Russia, and Eastern Europe. Many of these countries are already struggling to maintain economic growth and stability. In many cases, they have initiated reforms with IMF assistance, and are making serious progress. The spread of the Asian financial turmoil could prove enormously costly to them as well.

Inaction carries the risk not only of economic turmoil, but of significant social and political disruption. To a limited extent, this has already begun. A further economic free-fall could precipitate political and social chaos.

The social impact of declining economies is most severe, not on the affluent or well-connected, but on the middle-class and poor. To be sure, inappropriately austere economic stabilization programs—whether IMF-sponsored or not—can also hurt a broad spectrum of society, bringing lost jobs, closed businesses, higher interest rates, and lost purchasing power. But allowing an economy spiraling downward to take its natural course without remedial action could cause far, far greater hardship.

The final risk of inaction is the unacceptable abrogation of U.S. influence and leadership in Asia. The United States has argued that its geo-political and economic interests lie in considerable part in Asia. It has repeatedly sought to demonstrate its commitment in a variety of fora—such as the Asia Pacific Economic Cooperation platform—despite Asia's perception of a U.S. preoccupation with Latin America and Europe. We can now either affirm our commitment to Asia, or give the lie to these previous efforts.

With U.S. leadership, international institutions have been established to respond to global military crises, such as the United Nations role in Iraq, Bosnia, etc. When global economic crises arise, the International Monetary Fund is the institution empowered by the international community to take action. Just as the United States expects the United Nations to take action when military threats to world peace emerge, we must do our part to support the International Monetary Fund—the only available institution that can act when the threats to global stability are economic. In a time of world economic crisis, the United States cannot default on its economic leadership.***HD***The Political Challenge

Convincing the Congress and the American people that continued support for the International Monetary Fund is essential will be a difficult political challenge.

Our challenge is to make clear to U.S. taxpayers and public officials the economic consequences of not supporting the IMF. If the IMF does not intervene, U.S. taxpayers, business and labor will face serious consequences: further falling Asian currencies and a further rising U.S. dollar; a still greater tide of imports and larger trade deficits; and further falling stock-market prices, affecting pensions, savings, consumer behavior, etc.

Critics of the IMF—including both Democrats and Republicans in Congress—also contend that IMF programs are ''excessively austere,'' with harsh impacts on citizens; that IMF program results are questionable, since countries return to the IMF for repeated reform efforts; and that IMF programs lack discernible development progress. Some of these criticisms are warranted. But legitimate complaints can be lodged against almost any institution. A narrow focus on these problems ignores the stark reality that we need some international institution to cope with stresses in the global financial system, and we need that institution now.

The IMF may not be a perfect tool, but it is the only tool we have. It needs fixing, but not junking. And we cannot fix the problems of the IMF in the midst of a crisis. We must use the IMF as constructively as possible to respond to the crisis in the short term. As the crisis abates, we can then accelerate the discussion and debate about the nature of the institutional changes that might be necessary in today's global economy.

The United States' responsibility does not end with its participation in resolving the current crisis. We must continue to exert our influence and leadership among the 182 countries of the IMF. As the world's largest economy, greatest military power, and foreign-policy leader, the United States has the potential to use both its voice and its vote to make the IMF a more effective international institution in the new century. But the United States cannot expect to shape an institution we abandon at the first sign of crisis.

In re-examining the IMF, the key questions we must consider are how to best shape the IMF for its role in a globalized society, and how the IMF should work with member countries when economic adjustments are needed. In the present financial crisis, the Fund's central tool is so-called conditionality, the IMF's ability to require specific reforms of the country seeking IMF support.

I believe there are at least five core elements of conditionality that the U.S. and IMF should promote in the context of the current crisis.

1. *Currency stabilization is critical.* The markets may have over-reacted to economic conditions in Asian countries with such extreme depreciation of currencies. The Asian economies are fundamentally sound, and with corrective policies they should rebound. Compared to the Latin America economic crisis in the 1980s, when macroeconomic indicators were negative, Asian economies have benefited for over a decade from strong GDP growth; have current-account surpluses or small deficits relative to GDP; have strong savings rates—35 percent in Korea; have had low inflation, most often between 4–9 percent; have high investment rates; and have no or relatively small public-sector debt problems. It is therefore critical that the IMF's primary goal should be to stabilize currencies. Surely, agreement should be reached to avoid competitive devaluations that will further destabilize the international financial and trading systems.

2. *The IMF must also seek vast improvements in the financial services sectors of countries using IMF Stand-By instruments.* The IMF should seek agreement from the affected countries to reform the laws and regulations governing their domestic financial institutions so that they meet generally accepted international standards. This would include laws to ensure adequate capital and reserves, adequate oversight, and standards for transparency. Lack of transparency is a contributing factor to the current Asian crisis—making unavailable accurate debt data, information regarding conglomerate-banking ties, etc.

I offer one caveat regarding this element of conditionality, however. We must demand significant improvement in the operation of financial institutions in the affected countries. However, we should not require troubled institutions to improve totally and immediately—or die. Nor should we judge the success of a reform program by the number of institutions closed. Such shock therapy could lead to a country's economic convulsion. What we do need is deliberate speed. And we need significant, measurable and constant improvement leading in a short but reasonable period of time to the standards we agree upon.

3. *The economies of these countries must be open.* The IMF must insist on economic reforms that open economies to both internal and external competition. Assisted countries must be open to competition, trade, investment, and capital flows—domestically and internationally. Small domestic businesses and international companies must not be excluded from open market competition because of collusion among conglomerates, governments, and financing institutions. The use of overt trade and investment barriers, or indirect regulatory schemes, to exclude outside competition must not be tolerated. The IMF should insist on fundamental reforms that create the environment for open and fair competition.

Moreover, the U.S. should insist that the IMF put maximum pressure on other industrial countries to import more from Asia during this crisis. The U.S. cannot be expected to substantially increase its imports unless others are willing to bear a comparable burden.

4. *The economic prescriptions for each country must be appropriate to each country.* One size will not fit all. The IMF has been criticized by both the left and the right for imposing draconian fiscal policies and conditions that hurt the citizens of the country who are least able to cope with the consequences. These are difficult judgment calls. Sometimes, the IMF-imposed conditions have been well advised; other times, they may have been misguided. Each country must be dealt with differently.

Thailand was to have a budget surplus of 1 percent of GDP by the end of March 1998, but the continued decline of the baht forced Thai authorities to request adjustment of this IMF condition. Similarly, fiscal conditionality required Indonesia to reach a budget surplus of 1–1.5 percent of GDP and a current-account deficit reduced to 2 percent of GDP. This requirement was changed to a budget deficit of 1–1.5 percent in the agreement most recently announced by IMF Managing Director Camdessus on January 15. In Indonesia, the IMF admitted in a confidential report on January 13 that its tactics—in this case, 16 bank closings—backfired, and deepened rather than helped the crisis.

When developing fiscal requirements as part of the IMF conditionality, one formula cannot fit all countries. And the Asian case differs from most previous IMF Stand-By situations in that public profligacy has largely not been the source of the problem. Most governments have maintained a reasonable balance between expenditures and revenues.

Under such circumstances, the IMF must be careful not to impose tax increases or budget cuts that are not warranted. Although some officials may characterize a budget surplus requirement of 1.5 percent of GDP as ''modest,'' the impact on citizens could be considerable. Consider the impact of cutting the U.S. budget deficit by 1.5 percent of GDP in five months. I doubt that we could comply, economically, socially, or politically.

We must all keep in mind that economies exist for people, not the other way around. The IMF should be especially cautious about imposing fiscal constraints on a government when the ''fiscal imprudence'' has been centered in the private sector, not only in the countries needing IMF support, but in the private financial sectors outside that country, whether in Japan and Germany—whose banks are most exposed in Asia—or in the United States.

5. Finally, existing creditors should be expected to bear an appropriate financial burden. While the U.S. cannot and should not attempt to legislate those IMF requirements, nonetheless that should be the policy of both the U.S. and IMF. Public perception that IMF assistance will privatize creditors, profits and socialize their losses will erode public and Congressional support faster than anything else. And that is understandable. It simply does not appear fair or legitimate to use IMF resources to hold banks and investors harmless, or to shield them from the consequences of poor judgment in loans and investments.

To a certain extent, assisting creditors is inherent in any policy of intervention. However, historically, the United States has insisted that creditors sustain meaningful sacrifices or losses as part of any rescue package, whether in the New York City rescue, the Chrysler loan guarantee, the Brady bonds, etc. Brady bonds, e.g., were deeply discounted in the secondary markets.

This is where the IMF can be very useful. The Fund can and should play a legitimate role as intermediary in private-sector creditor-debtor discussions. The IMF has the capacity—and experience—to serve as a facilitator and honest broker during debt negotiations. Nor would this be a new role for the Fund.

During the 1980's debt reschedulings with Latin America, the IMF did help broker the terms of the deals. In a situation such as Asia's, the IMF could play a similar role. In fact, public statements of support for that concept would assist countries, such as Korea, attempting to guarantee future loans. The application of this policy could significantly mitigate the ''moral hazard'' of intervention; and also help in garnering political support for U.S. participation in the IMF.

In the 1980s, I proposed establishing an International Debt Management Facility, and included it as part of the Omnibus Trade Act of 1986. Unfortunately, President Reagan vetoed that bill, in part because of that provision. The concept would have allowed for voluntary disposition by creditors of loans to heavily indebted sovereign borrowers in a way that would enable purchase at a discount in secondary markets. It may be timely to inject the principles of this original proposal into a new role for the IMF as a de facto referee in bankruptcy—a facilitator of a rearrangement of the debtor-creditor relationship.***HD***Political Support for the IMF—High Level Outside Effort Required

In the current political environment, it will not be easy to pass legislation that provides new funding for the IMF. To accomplish this, I believe that the White House must launch a concentrated political effort, as it has in past high-profile and critical legislative efforts. Eminent persons of both Democratic and Republican backgrounds should co-chair a campaign to pass IMF funding legislation. If possible, individuals such as former Treasury Secretaries

James Baker, Nicholas Brady, Lloyd Bentsen and William Miller might be appropriate candidates.***HD***Reaching Out to Both Business and Labor for Support

As part of its concentrated effort, the Administration must reach out to both the business and labor communities.

The deteriorating economies of Asia will necessarily impact U.S. corporations and the economic climate in which they operate. Many U.S. companies are already reducing their earnings projections because of anticipated fall-out from the Asia situation.

Countries in Asia that are currently in crisis both buy U.S. products and services, and compete to provide them. Economic instability and the depreciating currencies that accompany it will ultimately have an adverse impact on U.S. exports, increase the trade deficit, and put a brake on the economic growth we have been experiencing, all to the potential disadvantage of U.S. firms. It is in the business community's interest to get this crisis under control, and the Administration should seek strong and visible business support in that effort. That support must be significant, it must be broad-based, and it must be now—before opposition to IMF funding grows.

The Administration must also reach out to labor—either for overt support, or at least acquiescence. Labor has a divided approach to the IMF with respect to the Asia crisis. In the short term, labor is concerned that currency depreciation will cause export ''dumping'' in the U.S. as the only healthy economy that can take more goods. The U.S. trade deficit could soar to $300 billion this year as a result of the currency crisis. As we have seen with the weakening Japanese yen, the U.S. auto industry has suffered: Ford's sales to Japan have dropped 40 percent.

U.S. labor wants the IMF to stabilize currencies as a means to avoid job losses resulting from trade imbalances. The Administration must demonstrate to labor that it understands these concerns. It must publicly exhort other nations to accept Asian imports as well. The Administration must also make clear to labor that it will enforce U.S. trade laws and support ''escape clause'' action that would provide relief in the form of temporary tariffs or quotas if imports in particular industries flood the U.S. market.

Labor has a different outlook on the IMF in regard to medium-term issues, however. It opposes what it views as extreme IMF-imposed austerity that slows down economies, closes businesses, and creates mass unemployment in societies. U.S. workers ultimately suffer when U.S. businesses lose overseas contracts, exports dwindle, and stock markets fall. Already, the U.S. has lost orders—Boeing had four aircraft canceled—and Stone and Webster Engineering had their contract for a refinery project in Indonesia canceled. U.S. labor must be assured of our government's commitment to help find the proper balance between necessary reform and continued economic expansion.

The Administration must also take a more active and high-profile role in promoting international labor standards. To be sure, the Clinton Administration has done more than past Administrations to promote international labor rights. But it has not done nearly enough. The Administration should be promoting international labor rights in every forum possible, and at every opportunity.

I believe that we must either help the people of the world bring their standards up, or their lower standards will eventually bring ours down. For that very reason, commitment to an improvement of international labor standards is essential if we are to achieve any domestic political support for either the IMF or future trade agreements.

In pressing this issue, however, the U.S. would have far greater credibility if we first ratified more of the International Labor Organization's Conventions. The ILO has adopted 175 Conventions; the United States has ratified but 11. All but one of the 11 relates to technical or maritime issues. By comparison, the typical member of the European Union has ratified 70 ILO Conventions. At a minimum, the President should propose that Congress ratify those Conventions relating to employment discrimination, child labor, the right to organize, and the right to bargain collectively. If the Administration demonstrated its commitment to international labor standards through specific strong actions, it would be better able to persuade labor to support its effort to fund the International Monetary Fund and future trade agreements.***HD***Conclusion

It is no exaggeration to say that the U.S. reaction to the Asia crisis and to the IMF's pressing needs will be a defining moment in our global economic and political leadership. If we behave as we did when the League of Nations was being formed—hold back, quibble about the fine points, and eventually refuse to participate—we risk the same result. We may again see the fatal crippling of an international institution that is currently essential to the economic and political functioning of an increasingly interdependent world.

It is not just U.S. leadership in the abstract that is at stake. If the U.S. does not respond pro-actively and responsibly to this crisis, the economic well-being of U.S., Asian and other countries' citizens will be put in serious jeopardy as the global economic climate deteriorates. We live in an interdependent global economy in which the economic crises of other countries cannot be neatly compartmentalized and held at bay.

Politically, philosophically and practically, the U.S. and its citizens have a great deal to lose if we permit regional economic problems to reverberate around the globe unaddressed. It is incumbent upon this country's political, business and labor leadership to do everything possible to ensure the situation does not deteriorate to that point.

TRIBUTE TO THE HONORABLE BUD SHUSTER

HON. JOHN P. MURTHA

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 27, 1998

Mr. MURTHA. Mr. Speaker, I rise today to pay tribute to my fellow Pennsylvanian, colleague and good friend, Congressman BUD SHUSTER, on the occasion of his twenty-fifth year of excellent service in the United States House of Representatives as the Representative of the good people of the Ninth Congressional District of Pennsylvania. BUD was victorious in seeking his first term of office in November 1972 and the rest is history. As president of the Freshman Class of 1973, BUD SHUSTER brought to Congress his vision of economic prosperity for Central Pennsylvania and a true commitment to the nation's infrastructure. To this end, he has been the principal author of much of America's transportation legislation. On January 4, 1995, BUD became Chairman of the Transportation & Infrastructure Committee, the largest committee in the U.S. Congress.

I am honored to join in making this tribute his Congressional Staff, past and present, who share a common bond of great respect for their ''boss'' for his unparalleled service to his constituents, his skilled mastery of the legislative process, and for his dedicated mission to provide a better standard of living for Pennsylvania and for the United States of America. He is a leader of the first order whose ideas are clear and whose goals remain constant. He is a man whose strength sustains his colleagues and those staffers who have served him throughout these past twenty five years of American history.

Mr. Speaker, please join me in congratulating Congressman BUD SHUSTER, a native son of Pennsylvania, on his twenty five years of excellent service in Congress.

TRIBUTE TO TONY GRIFFIN

HON. FRED UPTON

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 27, 1998

Mr. UPTON. Mr. Speaker, it is with a heavy heart that I rise today to pay tribute to a great journalist, a community leader, a dear friend, but most importantly of all, a father and beloved husband.

Tony Griffin succumbed to cancer on December 30, 1997 only a few weeks after being diagnosed. It is rare that a single voice makes such an impact on so many people, in so many different ways. But Tony Griffin was just such an outstanding individual.

As news and public affairs director at WMUK in Kalamazoo, Michigan, he was all a reporter should be—aggressive, accurate and fair. An alumnus of Western Michigan University, Tony returned home to his alma mater to work at the university's National Public Radio station. He would have celebrated his 25th service anniversary with the station in March of this year.

Under his direction, WMUK won a wall full of prestigious awards, including recognition by the Voice of America, Michigan Associated Press, the Public Radio News Directors, and the Michigan Bar Association.

He built his career and reputation as a dogged, shrewd journalist. A healthy dose of skepticism coupled with voracious appetite for the truth wrapped around a sharp wit and always generous laugh. But the Tony we all knew and loved was more than just a journalist.

Tony took time-out on the other side of the microphone to serve his community. He lent his enormous skills and energies to the local Red Cross, Van Buren County Community Corrections, and a host of other organizations dedicated to improving the quality of life in the Kalamazoo area. He truly cared about the community he represented.

Tony's leadership and dedication will be missed in each of these roles—but not nearly